

Tze Shin International Co., Ltd.

Parent Company Only Financial
Statements and Independent Auditors'
Report
2025and2024

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Independent Auditors' Report

Shareholders and the Board of Directors of Tze Shin International Co., Ltd.,

Audit opinions

We have audited the accompanying parent company only balance sheets of Tze Shin International Co., Ltd. (the "Company") as of December 31, 2025 and 2024 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results, we believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for expressing the audit opinion.

Key audit matters

Key audit matters are those, in our professional judgment, the most significant matters in the audit of the 2025 annual parent company only financial statements of the Company. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Generation of operating revenue (including operating revenue of subsidiaries invested under the equity method)

Operating revenue is a matter of great concern to the management and investors. The operating income of the Company and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, and the extent of the provision of labor services and the terms of collection of the transportation revenues are more complex than those of the hotel business, among which transportation income accounts for 45% and hence significantly impacts the financial statements of the Company for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2025, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of transportation revenue recognition.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair representation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2025. We have clearly indicated such matters in the auditors' report unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, we decided not to communicate over specific items in the auditors' report, for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche
CPA Han-Ni Fang

CPA Chao-Yu Chen

Approval reference No. of Financial
Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.1090347472

Approval reference No. of Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi No.1110348898

March 11, 2026

Notice to Readers

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

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

Tze Shin International Co., Ltd.
Parent Only Balance Sheets
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
Current assets					
1100	Cash (Notes 4 and 6)	\$ 303,252	10	\$ 914,743	27
1110	Financial assets measured at fair value through profit or loss - current (Notes 4, 7 and 30)	1,082,280	35	1,056,567	31
1120	Financial assets measured at fair value through other comprehensive profit or loss - Current statement (Notes 4, 8 and 30)	107,575	3	101,660	3
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 30)	50	-	50	-
1150	Net notes receivable (Notes 4, 10, 21 and 27)	-	-	24,620	1
1200	Net other receivables (Notes 4 and 10)	26,398	1	242	-
1210	Other receivables - related parties (Notes 4, 12 and 27)	62	-	62	-
1220	Current income tax assets (Notes 4 and 23)	395	-	1,093	-
1310	Net inventory (Notes 4 and 11)	773,429	25	381,561	11
1460	Non-current assets held for sale (Note 16)	69,021	2	-	-
1476	Other financial assets - current (Notes 16 and 28)	29,664	1	-	-
1479	Other current assets	16,734	-	16,957	-
11XX	Total current assets	<u>2,408,860</u>	<u>77</u>	<u>2,497,555</u>	<u>73</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	-	-	258,336	7
1550	Investment under equity method (Notes 4 and 12)	386,779	12	400,793	12
1600	Property, plant and equipment (Notes 4, 13 and 28)	110,206	4	167,784	5
1755	Right-of-use assets (Notes 4 and 14)	58,575	2	1,838	-
1760	Investment property (Notes 4 and 15)	30,026	1	30,026	1
1780	Intangible assets (Note 4)	2,240	-	201	-
1840	Deferred income tax assets (Notes 4 and 23)	110,945	4	66,636	2
1920	Refundable deposits	1,730	-	641	-
1990	Other non-current assets - other	50	-	1,038	-
15XX	Total non-current assets	<u>700,551</u>	<u>23</u>	<u>927,293</u>	<u>27</u>
1XXX	Total Assets	<u>\$ 3,109,411</u>	<u>100</u>	<u>\$ 3,424,848</u>	<u>100</u>
Financial liabilities and equity					
Current liabilities					
2130	Contract liabilities - current (Note 21)	\$ 60,520	2	\$ 31,139	1
2150	Notes payable	2,279	-	-	-
2170	Accounts payable	20,419	1	29,263	1
2200	Other payables (Note 18)	22,230	1	116,026	3
2230	Current income tax liabilities (Note 23)	23,339	1	-	-
2280	Lease liabilities - current (Notes 4 and 14)	10,163	-	355	-
2399	Other current liabilities	5,727	-	3,245	-
21XX	Total current liabilities	<u>144,677</u>	<u>5</u>	<u>180,028</u>	<u>5</u>
Non-current liabilities					
2540	Long-term borrowings (Note 17)	200,000	6	272,177	8
2580	Lease liabilities - non-current (Notes 4 and 14)	45,565	2	1,485	-
2640	Net defined benefit liabilities (Notes 4 and 19)	3,997	-	3,784	-
2645	Guarantee deposits	360	-	160	-
25XX	Total non-current liabilities	<u>249,922</u>	<u>8</u>	<u>277,606</u>	<u>8</u>
2XXX	Total liabilities	<u>394,599</u>	<u>13</u>	<u>457,634</u>	<u>13</u>
Equity					
3110	Ordinary shares	1,890,023	61	1,890,023	55
3200	Capital reserve	41,258	1	40,980	1
Retained earnings					
3310	Legal reserve	392,028	13	357,621	11
3350	Unappropriated earnings	417,156	13	493,808	14
3300	Total retained earnings	<u>809,184</u>	<u>26</u>	<u>851,429</u>	<u>25</u>
3400	Other equity	(25,653)	(1)	184,782	6
3XXX	Total Equity	<u>2,714,812</u>	<u>87</u>	<u>2,967,214</u>	<u>87</u>
Total Liabilities and Equity		<u>\$ 3,109,411</u>	<u>100</u>	<u>\$ 3,424,848</u>	<u>100</u>

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd.
Parent Only Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024
Unit: In Thousands of New Taiwan Dollars; Earnings per share NT\$

Code		2025		2024	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 21 and 27)	\$ 12,555	100	\$ 11,599	100
5000	Operating cost (Notes 11, 22 and 27)	<u>5,968</u>	<u>47</u>	<u>13,203</u>	<u>114</u>
5950	Gross profit (loss)	<u>6,587</u>	<u>53</u>	<u>(1,604)</u>	<u>(14)</u>
	Operating expense				
6200	Administrative expenses (Notes 22 and 27)	52,304	417	66,797	576
6450	Expected credit impairment loss (Note 4 and 10)	<u>-</u>	<u>-</u>	<u>(915)</u>	<u>(8)</u>
6000	Subtotal	<u>52,304</u>	<u>417</u>	<u>65,882</u>	<u>568</u>
6900	Net operating loss	<u>(45,717)</u>	<u>(364)</u>	<u>(67,486)</u>	<u>(582)</u>
	Non-operating income and expenses (Notes 22 and 27)				
7100	Interest income	3,835	30	4,331	37
7010	Other income	112,707	898	172,699	1,489
7020	Other gains and losses	<u>(22,607)</u>	<u>(180)</u>	174,320	1,503
7050	Finance costs	<u>(5,922)</u>	<u>(47)</u>	<u>(2,247)</u>	<u>(19)</u>
7055	Expected credit impairment loss	-	-	<u>(1,889)</u>	<u>(16)</u>
7070	Share of profit or loss of subsidiaries and associates accounted for under the equity method	<u>36,023</u>	<u>287</u>	<u>31,032</u>	<u>267</u>
7000	Subtotal	<u>124,036</u>	<u>988</u>	<u>378,246</u>	<u>3,261</u>
7900	Net profit before tax	78,319	624	310,760	2,679
7950	Income tax (gains) expenses (Notes 4 and 23)	<u>(20,322)</u>	<u>(162)</u>	<u>387</u>	<u>3</u>
8000	Net income for the year	<u>98,641</u>	<u>786</u>	<u>310,373</u>	<u>2,676</u>

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Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income Not to be reclassified to profit or loss in subsequent periods:				
8311	Re-measurement of defined benefit plan (Note 19)	\$ 44	-	\$ 2,122	18
8316	Unrealized valuation gains of investments in equity instruments measured at fair value through other comprehensive income	(41,181)	(328)	76,032	656
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method	(51)	-	(776)	(7)
8349	Income tax related to items not to be reclassified (Note 23)	(9)	-	(424)	(4)
8300	Other comprehensive income of the current year	(41,197)	(328)	76,954	663
8500	Total comprehensive profit and loss for the current year	<u>\$ 57,444</u>	<u>458</u>	<u>\$ 387,327</u>	<u>3,339</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 0.52</u>		<u>\$ 1.64</u>	
9810	Diluted	<u>\$ 0.52</u>		<u>\$ 1.64</u>	

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd.
Parent Only Statement of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

Code		Share capital (Note 19)	Capital reserve (Note 19)	Retained earnings (Notes 8 and 19)			Other equity	Total equity
				Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	
A1	Balance as of January 1, 2024	\$ 1,890,023	\$ 20,886	\$ 309,697	\$ 632,367	\$ 942,064	\$ 148,107	\$ 3,001,080
	Appropriations and distributions of 2023 earnings							
B1	Legal reserve	-	-	47,924	(47,924)	-	-	-
B5	Cash dividends for shareholders	-	-	-	(434,705)	(434,705)	-	(434,705)
		-	-	47,924	(482,629)	(434,705)	-	(434,705)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	62	-	-	-	-	62
D1	Net of 2024	-	-	-	310,373	310,373	-	310,373
D3	Other comprehensive income after tax of 2024	-	-	-	2,971	2,971	73,983	76,954
D5	Total comprehensive profit and loss of 2024	-	-	-	313,344	313,344	73,983	387,327
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	20,032	-	-	-	(6,582)	13,450
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	30,726	30,726	(30,726)	-
Z1	Balance on December 31, 2024	1,890,023	40,980	357,621	493,808	851,429	184,782	2,967,214
	Appropriations and distributions of 2024 earnings							
B1	Legal reserve	-	-	34,407	(34,407)	-	-	-
B5	Common stock cash dividends	-	-	-	(309,964)	(309,964)	-	(309,964)
		-	-	34,407	(344,371)	(309,964)	-	(309,964)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(34)	-	-	-	-	(34)
D1	Net of 2025	-	-	-	98,641	98,641	-	98,641
D3	Other comprehensive income after tax for 2025	-	-	-	(183)	(183)	(41,014)	(41,197)
D5	Total comprehensive income for 2025	-	-	-	98,458	98,458	(41,014)	57,444
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	312	-	-	-	(160)	152
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	169,261	169,261	(169,261)	-
Z1	Balance as of December 31, 2025	\$ 1,890,023	\$ 41,258	\$ 392,028	\$ 417,156	\$ 809,184	(\$ 25,653)	\$ 2,714,812

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd.
Parent Only Statement of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousand

Code		2025	2024
	Cash flows from operating activities		
A00010	Net profit before tax	\$ 78,319	\$ 310,760
	Adjustments to reconcile profit (loss)		
A20100	Depreciation	11,389	7,467
A20200	Amortization expenses	147	34
A20300	Expected credit impairment loss	-	974
A20400	Net loss (gain) on financial assets at fair value through profit or loss	22,779	(174,453)
A20900	Finance costs	5,922	2,247
A21200	Interest income	(3,835)	(4,331)
A21300	Dividend income	(91,747)	(63,114)
A22300	Share of profit of subsidiaries and associates accounted for under the equity method	(36,023)	(31,032)
A22500	Loss on disposal and scrapping of real estate, plant and equipment (profit)	(173)	52
A23700	Inventory scrapping loss	84	-
A23800	Gains on inventory devaluation and obsolescence recovery	(35)	-
A29900	Other items	-	70,000
	Net changes in operating assets and liabilities		
A31130	Notes receivable	24,620	(24,620)
A31150	Accounts receivables	-	-
A31180	Other receivables	48	(809)
A31190	Other receivables - related parties	-	(54)
A31200	Inventories	(391,917)	(181,381)
A31230	Prepayments	(408)	-
A31240	Other current assets	(1,917)	(16,312)
A32125	Contract liabilities	29,381	31,139
A32130	Notes payable	2,279	-
A32150	Accounts payable	(8,844)	11,474
A32180	Other payables	(7,560)	(1,124)
A32190	Other payables - related parties	-	(389)
A32230	Other current liabilities	2,484	126
A32240	Net confirmed benefit debt	<u>256</u>	<u>285</u>
A33000	Cash outflow from operating activities	(364,751)	(63,061)
A33300	Interest paid	(5,865)	(2,819)
A33500	Income tax paid	<u>41</u>	<u>(234)</u>
AAAA	Cash outflow from operating activities	<u>(370,575)</u>	<u>(66,114)</u>

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Code		2025	2024
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 26,217)	(\$ 83,370)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	237,456	160,304
B00100	Acquisition of financial assets at fair value through profit or loss	(1,838,529)	(1,781,354)
B00200	Disposal of financial assets at fair value through profit or loss	1,678,507	2,125,576
B02300	Net cash inflow from disposal of subsidiaries	-	313
B02700	Purchase of property, plant and equipment	(13,762)	(453)
B02800	Disposal of property, plant and equipment prices	286	-
B03700	Increase in refundable deposits	(1,089)	-
B03800	Decrease in refundable deposits	-	80,058
B04500	Acquisition of intangible assets	(2,187)	(151)
B06500	Increase in their financial assets	(29,664)	-
B06700	Increase of other non-current assets	-	(1,038)
B06800	Decrease of other non-current assets	988	-
B07500	Interest received	3,937	4,308
B07600	Dividends received	131,247	75,145
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	<u>1,250</u>	<u>-</u>
BBBB	Net cash inflow from financing activities	<u>142,223</u>	<u>579,338</u>
	Cash flows from financing activities		
C01600	Increase in long-term loans	58,341	272,177
C01700	Decrease in long-term loans	(130,518)	-
C03000	Increase in guarantee deposits	200	-
C03100	Decrease in guarantee deposits	-	(65)
C04020	Lease liability principal repayments	(10,531)	(3,041)
C04500	Cash dividends paid	(309,964)	(434,705)
C05400	Acquisition of equity in subsidiaries	(950)	(27,362)
C09900	Capital reduction and return of capital by subsidiaries	<u>10,283</u>	<u>-</u>
CCCC	Net cash used in financing activities	<u>(383,139)</u>	<u>(192,996)</u>
EEEE	Net (decrease) increase in cash	(611,491)	320,228
E00100	Cash balance at the beginning of the year	<u>914,743</u>	<u>594,515</u>
E00200	Year-end cash balance	<u>\$ 303,252</u>	<u>\$ 914,743</u>

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd.
Notes to Parent Company Only Financial Statements
For the years ended December 31, 2025 and 2024

I. Corporate history

Tze Shin International Co., Ltd. (hereinafter referred to as "the Company") was established in 1973. Its main business includes (I) long-distance container transshipment; (II) shipside transportation operations; (III) container haulage; (IV) truck freight: transportation of chemicals, gasoline and diesel tanks and bulk goods; (V) lease of containers, racks, and equipment; and (VI) entrust of construction companies to build commercial, industrial buildings, and public housing for sale and leasing.

The Company's stock has been listed on the Taiwan Stock Exchange since October 1993.

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

II. Date and Procedures for Passing the Financial Report

The parent company only financial statements were approved by the Board of Directors on March 11, 2026.

III. Application of New and Revised International Financial Reporting Standards

- (I) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Notes (SIC) (hereinafter referred to as "IFRSs") endorsed and issued by the Financial Supervisory Commission ("FSC") applied for the first time.

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to IAS 21 "Lack of exchangeability" does not have material impact on the consolidated company's accounting policies.

- (II) 2026 IFRSs endorsed by the FSC

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

As of the publication date of the parent company only financial statements, the Company has assessed that the above-mentioned standards and amendments to the

interpretations will not have a significant impact on the Company's financial position and financial performance.

(III) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date published by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Non-Publicly Accountable Subsidiaries: Disclosures"	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise specified, the aforesaid new/amended/revised standards or interpretations are effective for the annual reporting periods beginning on or after the respective dates.

Note 2: The Financial Supervisory Commission announced on September 25, 2025 that Taiwanese enterprises should adopt IFRS 18 from January 1, 2028. Enterprises may also elect to adopt IFRS 18 early upon the FSC's approval.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

According to the amendments, if the Company sells or invests assets that meet the definition of a "business" in IFRS 3 "Business Combinations" to any of the associates (or joint ventures), or the Company loses control over any of the subsidiaries that meets the aforesaid definition and maintains significant influence (or joint control) over the subsidiary, the Company recognizes all the profits or losses generated from such transactions.

However, if the Company sells or invests assets that do not meet the definition of a "business" in IFRS 3 "Business Combinations" to any of the associates (or joint ventures), or the Company loses control over any of the subsidiaries that do not meet the aforesaid definition in a transaction with any of the associates (or joint ventures) and maintains significant influence (or joint control) over the subsidiary, the profit or loss resulting from such transactions shall be recognized only to the extent of unrelated investors' interests in such associate (or joint venture), i.e. the Company's share of the profit or loss shall be eliminated.

2. IFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments

IFRS 18 will replace IAS 1 "Expression of Financial Statements". The main changes include:

- The Company shall assess whether it has specific main business activities such as investing in specific types of assets and providing financing to customers, based on which the income and expense items in the income statement are classified into operating, investing, financing, income tax and discontinued operations categories.
- The income statement shall be reported as operating income, pre-tax income before financing, and the sum and total of profit and loss.
- Provide guidance on the consolidation and division of rules: The Company must identify the assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other matters, and classify and consolidate them based on the common characteristics, so as to result in the presentation in the primary financial statements of line items and disclosure in the notes of items that have at least one similar characteristic. Items that are dissimilar from other items should be disaggregated. The Company only labels such items as "other" when no more informative label can be found.
- Increasing the disclosure of the performance measurement defined by management: When the Company has open communication outside the financial statements, and when management's view of the Company's overall financial performance on a certain aspect is communicated with the users of the financial statements, it shall be disclosed in a separate note to the financial statements on performance measurements defined by management, including descriptions of the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, and the impact of relevant adjustments on income tax and non-controlling interests, etc.

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

- When the consolidated company prepares the statement of cash flows from operating activities using the indirect method, operating profit or loss shall be the starting point for reconciliation.
- The interest and dividends received by the consolidated company shall be classified as investment activities, and interest and dividends paid shall be classified as financing activities. If the consolidated company is assessed to have specific main business activities, it must consider the types of dividend income, interest income, and interest expense listed in the income statement to determine the classification of receiving dividends, receiving interest, and paying interest in the statement of cash flows. However, the above cash flows can only be classified in a single activity in the statement of cash flows.

Except for the above impacts, as of the publication date of the parent company only financial statements, the Company continues to evaluate the impact of amendments to various standards and interpretations on the financial position and financial performance, and will disclose relevant impacts when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets, the standalone financial statements have been prepared on the historical cost basis.

The fair value measurement is divided into Level 1 to Level 3 according to the observability and significance of the relevant input value:

1. Level 1 input: refers to the quotation (unadjusted) of the same asset or liability in an active market on the measurement date.
2. Level 2 input: in addition to the quoted price in Level 1, the direct (i.e., price) or indirect (i.e., inference from price) observable input of the asset or liability.
3. Level 3 inputs: The unobservable inputs for the asset or liability.

The Company adopts the equity method to account for its investments in subsidiaries and associates when preparing the parent company only financial statements. In order to make the profit or loss, other comprehensive profit or loss, and equity of the current year in the parent company only financial statement and the current year profit or loss, other comprehensive profit or loss, and equity attributable to the owner of the Company in the Company's consolidated financial statement, certain accounting differences between the standalone basis and the consolidated basis are adjusted and made "Investments under the equity method," "Recognized share of profit or loss of subsidiaries, associates, and joint investments under the equity method," "Recognized share of other comprehensive profit or loss of subsidiaries, associates and joint investments ," and related equity items.

(III) Classification of current and non-current asset and liability items

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash (excluding those that are restricted from being exchanged or used to settle a liability for more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held mainly for the purpose of trading;
2. Liabilities due and settled within 12 months after the balance sheet date; and
3. At the balance sheet date, the liabilities to which the Company has no substantive right to defer the settlement thereof for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

For the construction projects of the Company, where the business cycle is longer than one year, the assets and liabilities related to the construction business are classified as current or non-current based on the normal business cycle.

(IV) Foreign currency

When the Company prepares the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are converted into the functional currency according to the exchange rates on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing exchange rate on each balance sheet date. The exchange difference arising from the settlement of monetary items or the translation of monetary items is recognized in profit or loss in the year of occurrence.

Non-monetary items measured at fair value that are denominated in foreign currencies are converted at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss for the year. in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not retranslated.

(V) Inventory

Inventories include buildings and land held for sale, properties under development, and land for future development. Inventories are measured at the lower of cost and net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances less selling expenses. The cost of inventories is calculated using the weighted average method.

Buildings under construction are measured at the lower of cost and net realizable value. The comparison of cost and net realizable value is based on individual projects. Net realizable value is the estimated selling price under normal circumstances less the remaining costs of completion and selling expenses. When selling, the cost is calculated using the individual identification method.

(VI) Investment in subsidiaries

The Company adopts the equity method to account for its investment in subsidiaries.

A subsidiary is an entity controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive profit or loss of the subsidiaries. In addition, changes in the Company's other equity interests in subsidiaries are recognized based on the shareholding percentage.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are treated as equity transactions. Any difference between the carrying amount of investments and the fair value of the consideration paid or received is directly recognized in equity.

When the Company's share of losses on a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that in substance form part of the Company's net investment in the subsidiary), Losses will continue to be recognized proportionally to the Company's shareholding.

The excess of the acquisition cost in excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries that constitute the business on the date of acquisition is recognized as goodwill, which is included in the book value of the investment and shall not be amortized; The excess of the share of the net fair value of the identifiable assets and liabilities of the subsidiary over the acquisition cost as of the date of operation is recognized as the current income.

When the Company assesses the impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the book value. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized as gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would be recognized for the asset without the impairment loss not recognized. The book value after amortization. The impairment loss attributed to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures its remaining investment in the former subsidiary according to the fair value on the date of loss of control. Current profit and loss. In addition, all amounts recognized in other comprehensive income related to the subsidiary shall be accounted for on the same basis as the one adopted for the Company's direct disposal of the relevant assets or liabilities.

The unrealized profit or loss of downstream transactions between the Company and its subsidiaries is eliminated in the individual financial statements. The profit or loss generated from the downstream and lateral transactions between the Company and its subsidiaries is recognized in the standalone financial statements only to the extent that they are not related to the Company's equity in the subsidiaries.

(VII) Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

The property, plant and equipment under construction is recognized at cost less accumulated impairment loss. Costs include professional service fees and borrowing costs that meet the capitalization conditions. These assets shall be classified into the appropriate category of property, plant and equipment and depreciation shall begin to be provided when they are completed and reach the expected state of use.

Except for the self-owned land that is not depreciated, the remaining properties, plants, and equipment are depreciated separately on a straight-line basis over their useful lives. The Company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and applies the effect of changes in accounting estimates in a deferred application.

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

(VIII) Investment property

Investment property is held for the purpose of earning rent or for capital appreciation or both. Investment property also includes the land for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

1. Acquired separately

A separately acquired intangible asset with finite useful life is initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using the straight-line method over the useful lives. The Company reviews the estimated useful life, residual value, and amortization methods at least at the end of each year, and applies the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in current profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

The Company assesses whether there are any signs of possible impairment of property, plant, and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill) at each balance sheet date. If there is any sign of impairment, estimate the amount recoverable from the asset. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and when there is a sign of impairment.

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

When the impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost related asset is increased to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost. The book value (less amortization or depreciation) of the relevant assets if no impairment loss was recognized in previous years. Reversal of impairment loss is recognized in profit or loss.

(XI) Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use.

Non-current assets qualified for the classification must be available for immediate sale in the current condition and must be very likely to be sold. When the management at an appropriate level guarantees to sell the assets, and the sale transaction is to be completed within one year from the date of classification, they are very likely to be sold.

If the sale will result in loss of the control over a subsidiary, all the assets and liabilities of the subsidiary are classified as held for sale no matter whether the non-controlling equity in the former subsidiary is retained.

When a commitment to sell involves all or a portion of an investment in an associate or joint venture, only the equity interests meeting the criteria to be classified as held for sale are reclassified as held for sale, and the equity method is no longer applied to that portion. The equity method is used continuously for any other equity that is not classified as held for sale. If the disposal will lead to loss of material influence and joint control over the investments, any equity that is not classified as held for sale is treated according to the accounting policies for financial instruments when disposing of the held-for-sale equity.

Non-current assets classified as held-for-sale are measured at the lower of the book value and the fair value net of sale costs. In which case, the depreciation of such assets stops.

For the subsidiaries, joint operations, joint ventures, associates, partial interest in the joint ventures or associates that are no longer qualified to be classified as held for sale, they are measured at the carrying amount of such interest as not being classified as held for sale. The financial statements that were classified as held for sale are then retrospectively adjusted.

If non-current assets held for sale are reclassified as the non-current assets held for distribution to owners, they are measured at the lower of the book value and the fair value net of distribution costs, and the reversal of accounting treatment under the original category is not necessary.

(XII) Financial instruments

Financial assets and financial liabilities are recognized in the individual balance sheet when the Company becomes a party to the terms and conditions of the instrument contract.

When financial assets and financial liabilities are initially recognized, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions in financial assets are recognized and recognized using the transaction date accounting method.

(1) Type of measurement

The financial assets held by the Company include those measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other combined profits or losses.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at FVTPL are those mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI, and debt instruments that are not classified as measured at amortized cost or at FVTOCI.

Financial assets measured at FVTPL are measured at fair value. Dividends, interest, and remeasured gains or losses are recognized in other profits and losses. Please refer to Note 26 for how the fair value is determined.

B. Financial assets measured at amortized cost

If the Company's investment in financial assets meets the following two conditions at the same time, it is classified as financial assets measured at amortized cost:

- a. Held under a certain business model, and the purpose of such model is to hold financial assets to collect contractual cash flows; and
- b. The cash flows on specific dates that arise from the terms of the contract are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at cost after amortization (including cash, time deposits with original maturity date of more than 3 months, notes receivable at cost after amortization, accounts receivable, other receivables, other financial assets and (guaranteed guarantee) is measured at the amortized cost of the total book value determined by the effective interest method less any impairment loss upon initial recognition. Any foreign currency exchange gain or loss is recognized in profit or loss.

Except under the following two circumstances, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

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

Credit-impaired financial assets refer to the fact that the issuer or debtor has experienced major financial difficulty, default, the debtor is likely to file for bankruptcy or other financial reorganization, or due to financial difficulty, the active market of financial assets has disappeared.

Cash equivalents include time deposits with high liquidity and insignificant risk of changes in value that are highly liquid time deposits that can be converted into known amounts of cash at any time after the acquisition date, and are used to satisfy short-term cash commitments.

C. Equity instrument investment measured at fair value through other comprehensive income

The Company may, at the time of original recognition, make an irrevocable election to designate the investment in equity instrument investment not held for trading and not recognized by the acquirer in the business combination at fair value at the fair value.

Investments in equity instruments measured at FVTOCI are measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed, the accumulated profit or loss is directly transferred to the retained earnings and is not reclassified as profit or loss.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Company's right to receive payment is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

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

Accounts receivable are recognized in allowance for loss based on the lifetime expected credit losses. Other financial assets are assessed in terms of

whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the credit risk, the loss allowance is recognized at 12-month expected credit losses. If there has been a significant increase, it is recognized at the lifetime expected credit losses. loss allowance.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults of a financial instrument during the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collaterals held, determines that the following situations represent defaults in financial assets:

- A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.
- B. Overdue for more than 90 days, unless there is reasonable and corroborative information showing that the later default standard is more appropriate.

The impairment loss of all financial assets is recognized by the reduction of the book value of the allowance account. However, the loss allowance of the investment in debt instruments measured at fair value through other comprehensive profit or loss is recognized in other comprehensive profit or loss without reducing the book value.

(3) Removal of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets are transferred and almost all the risks and rewards of the ownership of the assets have been transferred to another enterprise.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between the book value and the consideration received is recognized in profit or loss. When the investment in equity instrument measured at FVTOCI is derecognized in its entirety, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

The equity instruments issued by the Company are classified as equities according to the contractual agreement and the definition of equity instruments.

Equity instruments issued by the Company are recognized at the amount after deducting direct issuance costs from the obtained proceeds.

The repurchase of the Company's own equity instruments is recognized in and deducted under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities are measured at amortized cost in the effective interest method.

(2) Removal of financial liabilities

When derecognizing financial liabilities, the difference between the book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XIII) Revenue Recognition

After the Company identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods or services and the collection of consideration is less than one year, no transaction price will be adjusted for the major financial components.

1. Transportation revenue

Transportation income comes from the operation of truck freight and container, and related businesses are recognized as income when the labor services are completed.

2. Product sales revenue

The sales revenue comes from the sale of household electrical appliances. Revenue is recognized when the goods are delivered to the location designated by the customer.

3. Construction revenue

For the property sales within the normal business scope, the fixed transaction price is collected in installments and contract liabilities are recognized. After considering the major financial components, revenue is recognized when each property is completed and delivered to the buyer.

(XIV) Lease

The Company assesses whether the contract is (or contains) a lease on the establishment date of the contract.

1. The Company as lessor

Lease payments under operating leases, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period. The initial direct cost for

acquiring the operating lease is added to the book value of the underlying asset and recognized as expenses on the straight-line basis over the lease period.

2. The Company as lessee

Except for low-value asset leases and short-term leases to which recognition exemptions apply, where lease payments are recognized as expenses on a straight-line basis over the lease period, right-of-use assets and lease liabilities are recognized for all leases on the starting date of the lease.

The right-of-use asset is measured at its original cost, which includes the initial measurement amount of lease liabilities, lease incentives received deducted from lease payments made before the start of the lease, initial direct costs, and the estimated cost of restoring the underlying asset. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses, and adjustments are made for the remeasurement of lease liabilities. Right-of-use assets are presented separately in the standalone balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease start date to the expiry date of the lease or the lease term, whichever earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the interest rate implicit in the lease is easily determined, the lease payment is discounted at the interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing rate shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest method, and the interest expenses are amortized over the lease term. If there are changes in future lease payments during the lease period, the expected payment amount under the residual value guarantee, or the index or rate used to determine lease payments, the Company will re-measure the lease liabilities and relatively adjust the right-of-use assets. The book value has been reduced to zero, the remaining re-measurement amount is recognized in profit or loss. For lease modifications that are not treated as separate leases, the re-measurement of the lease liabilities due to the reduced scope of the lease is to reduce the right-of-use assets, and to recognize gains or losses on the partial or full termination of the lease; the re-measurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented separately in the standalone balance sheet.

(XV) Cost of borrowing

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are treated as part of the cost of the assets until the assets are nearly ready for their intended use or sale.

For specific borrowings, if the investment income earned from the temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XVI) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

The pension of the defined contribution plan is the amount of pension contribution recognized as expenses during the period of service provided by the employees.

The defined benefit cost of the defined benefit retirement plan (including the service cost, net interest, and re-measurement) is actuated using the projected unit method. The service cost (including the service cost for the current period) and the net interest of the net defined benefit liability are recognized as employee benefit expenses when they are incurred. The re-measurement (including the actuarial profit or loss and the return on plan assets net of interest) is recognized in other comprehensive income and recognized in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability was the provision for the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of refundable contributions from the plan or reduced contributions to the future.

(XVII) Income tax

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

1. Current income tax

The Company determines the income (loss) of the current period in accordance with the laws and regulations of each jurisdiction area for income tax filings, and calculates the income tax payable (recoverable) accordingly.

In accordance with the Income Tax Act of the Republic of China, additional income tax levied on undistributed earnings is recognized in the year resolved by the shareholders' meeting.

Adjustments to income tax payable from previous years are recognized in current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, whereas deferred income tax assets are recognized for taxable income that is probable to deduct temporary differences and deductible losses. It shall be recognized at the time of use.

The taxable temporary difference related to the investment in subsidiaries, associates, and joint agreements shall be recognized as deferred income tax liabilities. However, if the Company can control the time point of the temporary difference reversal, and the temporary difference is likely to Except for those that will not be reversed in the future. The deductible temporary difference related to such investment is recognized as deferred income tax only if it is probable that there will be sufficient taxable income to realize the temporary difference and it is expected to be reversed in the foreseeable future assets.

The book value of deferred income tax assets is reviewed at each balance sheet date, and the book value is reduced if it is no longer probable that there will be sufficient taxable income to recover all or part of the assets. The assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and the carrying amount is increased when it is probable that taxable income will be generated in the future against which all or part of the assets can be recovered.

Deferred income tax assets and liabilities are measured at the tax rates in the year in which the liabilities are expected to be settled or the assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax liabilities and assets are measured to reflect the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

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

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When the Company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for the relevant information that is not readily available from other sources. Actual results may differ from these estimates.

When the Company develops significant accounting estimates, it takes into account the possible impact of inflation, market interest rate fluctuations, and financial market fluctuations on cash flow estimates, growth rates, discount rates, and profitability. Management will continue to review the estimates and basic assumptions.

VI. Cash

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 100	\$ 100
Checks and demand deposits at banks	<u>303,152</u>	<u>914,643</u>
	<u>\$ 303,252</u>	<u>\$ 914,743</u>

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - current</u>		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed (OTC Listed) stock	<u>\$ 1,082,280</u>	<u>\$ 1,056,567</u>

Please refer to Note 28 for information on financial assets at fair value through profit or loss - current pledge.

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Liquidity</u>		
Domestic investment		
TWSE/TPEX-listed stocks	<u>\$ 107,575</u>	<u>\$ 101,660</u>
<u>Non-current</u>		
Domestic investment		
Unlisted (non-OTC Listed) stock	<u>\$ -</u>	<u>\$ 258,336</u>

The Company invests in the common stocks of the above-mentioned domestic and foreign listed (TWSE) and unlisted (OTC) companies based on medium and long-term strategic purposes, and expects to make profits through long-term investments. The management of the Company believes that if the short-term fair value fluctuations of these investments are recognized in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so it has elected to designate these investments as at FVTOCI.

In 2025, the Company purchased the common stocks of IBF Financial Holdings Co., Ltd. at a price of NT\$26,217 thousand, which was designated as a mid- and long-term strategic investment and measured at fair value through other comprehensive gains and losses.

In 2024, the Company purchased the common stocks of IBF Financial Holdings Co., Ltd. at a price of NT\$83,370 thousand, which was designated as a mid- and long-term strategic investment and measured at fair value through other comprehensive gains and losses.

In 2025, the Company adjusted its investment portfolio to diversify risk by selling common shares of Megaful Co., Ltd., IBF Financial Holdings Co., Ltd., and Yuan Chuan Steel Co., Ltd. for NT\$237,456 thousand at fair value. Related unrealized gains of NT\$181,797 thousand on financial assets measured at fair value through other comprehensive income were transferred to retained earnings.

In 2025, the Company's investee, Miramar Hospitality Co., Ltd., adjusted its investment position to diversify risks and sold some ordinary shares of China Petrochemical Development Corporation at fair values of NT\$8,793 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$12,536 thousand were transferred to retained earnings.

In 2024, the Company adjusted its investment position to diversify risks and sold some ordinary shares of IBF Financial Holdings Co., Ltd. at fair values of NT\$160,304 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$36,299 thousand were transferred to retained earnings.

In 2024, the Company's investee, Miramar Hospitality Co., Ltd., adjusted its investment position to diversify risks and sold some ordinary shares of China Petrochemical Development Corporation at fair values of NT\$3,910 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$5,573 thousand were transferred to retained earnings.

Please refer to Note 28 for information on financial assets measured at fair value through other combined profits or losses - current pledge.

IX. Financial assets at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Liquidity</u>		
Domestic investment		
Time deposits with an original maturity date of more than 3 months	\$ <u>50</u>	\$ <u>50</u>

As of December 31, 2025 and 2024, the interest rates of time deposits with original maturity date of more than 3 months were 1.565% and 1.690% per annum, respectively.

Please refer to Note 28 for information on pledged financial assets measured at amortized cost.

X. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Measured at amortized cost</u>		
Gross carrying amount		
Notes receivable	\$ <u> -</u>	\$ <u> 24,620</u>
Other receivables	\$ <u> 26,398</u>	\$ <u> 242</u>
Other receivables - related parties	\$ <u> 62</u>	\$ <u> 62</u>

The Company's 2025 other receivables - share settlement amounted to NT\$25,002 thousand, has been fully received in January 2026.

The Company terminated its cooperation with the landlord on the joint construction project of Shijian Section, Wenshan District, Taipei City (Shijian Project) in August 2024. According to the joint construction contract, due to the landowner's failure to integrate the land as expected, both parties agreed to terminate the contract. The land owner paid a fine of NT\$80,000 thousand (recorded as other income) and NT\$24,620 thousand (recorded as notes receivable) to the Company as compensation in September 2024. The compensation was paid in full in March 2025.

The average credit period of the Company to customers is 60 to 90 days, and no interest is accrued on accounts receivable. When determining the recoverability of accounts receivable, the Company Changes in credit quality during the current period.

The Company adopts the allowance for loss of notes receivable, accounts receivable, and other receivables to be recognized based on the expected credit losses throughout the duration. The expected credit losses throughout the duration are calculated using the provision matrix, which takes into account the customer's past default record and current financial position, as well as the industrial economic situation. Because the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the reserve matrix does not further divide the customer groups, but only uses the notes receivable, accounts receivable, and other receivables overdue days to set the expected credit rating. Loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, for example, the counterparty is in liquidation, the Company will directly write off the relevant accounts receivable, but will continue to pursue recovery activities. The amount is recognized in profit or loss.

The allowance for loss of notes receivable, accounts receivable and other receivables measured by the Company based on the reserve matrix is as follows:

December 31, 2025

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 26,460	\$ -	\$ -	\$ -	\$ -	\$ 26,460
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	<u>\$ 26,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,460</u>

December 31, 2024

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	-	-	-	-	-	-
Gross carrying amount	\$ 24,924	\$ -	\$ -	\$ -	\$ -	\$ 24,924
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	<u>\$ 24,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,924</u>

Information on changes in the allowance for loss of notes receivable, accounts receivable and other receivables is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ -	\$ 2,595
Add: Provision of impairment loss	-	974
Less: Actual write-offs	-	(3,569)
Year-end balance	<u>\$ -</u>	<u>\$ -</u>

XI. Inventories - net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings and land for sale	\$ 306,982	\$ -
Property under development	301,540	216,597
Property to be developed	159,361	159,361
Commodities	<u>5,546</u>	<u>5,603</u>
	<u>\$ 773,429</u>	<u>\$ 381,561</u>

Buildings and land for sale

<u>Project name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tze Shin Yun Li project	<u>\$ 306,982</u>	<u>\$ -</u>

Property under development

<u>Project name</u>	<u>Estimated completion year</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Datong Section, Zhunan Township	2028	<u>\$ 301,540</u>	<u>\$ 216,597</u>

Property to be developed

<u>Project name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Jiatou Section, Wanli District	<u>\$ 159,361</u>	<u>\$ 159,361</u>

In order to ensure the smooth construction and delivery of the Company's construction projects, the following trust registration will be conducted for the land under development:

<u>Construction name</u>	<u>Contractor</u>	<u>Contract period</u>
Tze Shin Yun Li project	Pau Guo Construction Management Co., Ltd.	From August 2024 until the completion of this project and the finalization of the first ownership registration.

In March and April 2025, the Company entered into agreements with landowners to acquire a total of 1,330.8 square meters of land located in Datong Section, Zhunan Township, Miaoli County, for a total contract price of NT\$292,550 thousand (recorded as property to be developed). All considerations were fully paid with the completion of transfer in May 2025.

The Company signed the joint-construction agreement at the Shijian Section, Wenshan District, Taipei City (Shijian Project) with the landlord in August 2024 (please refer to Note 10), and the invested houses totaling NT\$23,782 thousand were transferred to operating costs and operating expenses.

In December 2023, the Company signed a contract with a non-related natural person to acquired land located at Datong Section, Zhunan Town, Miaoli County with an area of 1,480 square meters for the total contract price of NT\$147,750 thousand (recorded as property to be developed). All considerations were fully paid with the completion of transfer in March 2024.

The cost of goods sold related to inventories for 2025 and 2024 were NT\$249 thousand and NT\$0 thousand, respectively.

The cost of goods sold for 2025 and 2024 included inventory write-downs and gains on the recovery of obsolete inventory of NT\$35 thousand and NT\$0, respectively; losses on the disposal of inventory was NT\$84 thousand and NT\$0, respectively.

Please refer to Note 28 for the amount of land for sale and land under construction pledged as collateral for borrowings.

XII. Investment accounted for under the equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in subsidiaries	<u>\$ 386,779</u>	<u>\$ 400,793</u>

Investee	December 31, 2025		December 31, 2024	
	Amount	% of shareholding	Amount	% of shareholding
Non-listed and TPEX-listed company				
Miramar Hospitality Co., Ltd.	\$ 319,219	73.03	\$ 312,945	72.77
Hsin Hai Transportation & Terminal Co., Ltd.	59,809	47.47	80,030	47.47
Miramar Resort Co., Ltd.	<u>7,751</u>	66.18	<u>7,818</u>	66.18
	<u>\$ 386,779</u>		<u>\$ 400,793</u>	

In 2025, the Company acquired 95 thousand shares of Miramar Hospitality Co., Ltd. for the price of NT\$950 thousand, resulting in an increase of shareholding to 73.03%. In 2024, the Company acquired 3,640 thousand shares of Miramar Hospitality Co., Ltd. for the price of NT\$27,362 thousand, resulting in an increase of shareholding to 72.77%.

The recognized share of profit or loss and other comprehensive income of subsidiaries under the equity method in 2025 and 2024 is recognized based on the financial statements of each subsidiary that have been audited by the independent auditors during the same period.

XIII. Property, plant and equipment

	Land	Building	Transportation equipment	Office equipment	Total
<u>Cost</u>					
Balance as of January 1, 2025	\$ 156,144	\$ 30,509	\$ 1,824	\$ 7,112	\$ 195,589
Increase	-	-	-	13,762	13,762
Disposition	-	-	-	(4,855)	(4,855)
Reclassified as held for sale (Note 16)	(59,881)	(27,065)	-	-	(86,946)
Balance as of December 31, 2025	<u>\$ 96,263</u>	<u>\$ 3,444</u>	<u>\$ 1,824</u>	<u>\$ 16,019</u>	<u>\$ 117,550</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2025	\$ -	\$ 21,018	\$ 1,042	\$ 5,745	\$ 27,805
Depreciation	-	351	326	1,529	2,206
Disposition	-	-	-	(4,742)	(4,742)
Reclassified as held for sale (Note 16)	-	(17,925)	-	-	(17,925)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 3,444</u>	<u>\$ 1,368</u>	<u>\$ 2,532</u>	<u>\$ 7,344</u>
Net amount as of December 31, 2025	<u>\$ 96,263</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ 13,487</u>	<u>\$ 110,206</u>
<u>Cost</u>					
Balance as of January 1, 2024	\$ 156,144	\$ 30,509	\$ 1,824	\$ 7,241	\$ 195,718
Increase	-	-	-	453	453
Disposition	-	-	-	(582)	(582)
Balance on December 31, 2024	<u>\$ 156,144</u>	<u>\$ 30,509</u>	<u>\$ 1,824</u>	<u>\$ 7,112</u>	<u>\$ 195,589</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2024	\$ -	\$ 20,550	\$ 703	\$ 5,805	\$ 27,058
Depreciation	-	468	339	470	1,277
Disposition	-	-	-	(530)	(530)
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 21,018</u>	<u>\$ 1,042</u>	<u>\$ 5,745</u>	<u>\$ 27,805</u>
Net amount as of December 31, 2024	<u>\$ 156,144</u>	<u>\$ 9,491</u>	<u>\$ 782</u>	<u>\$ 1,317</u>	<u>\$ 167,784</u>

Depreciation expenses are calculated on a straight-line basis over their useful lives as follows:

Buildings	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 5 years

XIV. Lease agreement

(I) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of right-of-use assets		
Buildings	\$ 45,848	\$ -
Land	11,263	-
Office equipment	<u>1,464</u>	<u>1,838</u>
	<u>\$ 58,575</u>	<u>\$ 1,838</u>
	<u>2025</u>	<u>2024</u>
Increase in right-of-use assets	<u>\$ 65,920</u>	<u>\$ 1,869</u>
Depreciation expense of right-of-use assets		
Land	\$ 5,632	\$ 6,159
Buildings	3,177	-
Office equipment	<u>374</u>	<u>31</u>
	<u>\$ 9,183</u>	<u>\$ 6,190</u>

There were no significant subleases or impairments of the Company's right-of-use assets during 2025 and 2024.

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of lease liabilities		
Liquidity	<u>\$ 10,163</u>	<u>\$ 355</u>
Non-current	<u>\$ 45,565</u>	<u>\$ 1,484</u>

The range of the discount rate for lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	2.63%	-
Buildings	2.63%	-
Income-generating equipment	2.63%	2.63%

(III) Significant lease activities and terms and conditions

The Company leases certain lands and buildings for office use with a lease term of 1 to 5 years. At the end of the lease term, the Company does not have preferential rights to acquire the leased land and buildings.

The Company leases equipment with a lease term of 5 years. At the end of the lease term, the Company has no preferential right to acquire the lease agreement.

(IV) Other lease information

	<u>2025</u>	<u>2024</u>
Lease expenses of low-value assets	\$ <u>123</u>	\$ <u>89</u>
Total cash (outflow) of leases	(\$ <u>10,654</u>)	(\$ <u>3,130</u>)

XV. Investment property

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land		
Keelung Nuan-Nuan Yuanyuan Section	\$ <u>30,026</u>	\$ <u>30,026</u>

The fair value of the Company's investment property as of December 31, 2025 was NT\$46,721 thousand. The fair value was evaluated by Wei-Han Sun, an independent appraiser not affiliated with any related parties, based on evidence from recent real estate transactions.

The fair value of the Company's investment property as of December 31, 2024 was NT\$43,439 thousand. This fair value has not been appraised by independent appraisers and is determined by the consolidated company based on market evidence supporting similar property transaction prices, taking into account the increase in publicly announced land values.

XVI. Non-current assets held for sale

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land held for sale	\$ 59,881	\$ -
Buildings held for sale	<u>9,140</u>	<u>-</u>
	\$ <u>69,021</u>	\$ <u>-</u>

On June 20, 2025, the Board of Directors approved to sell the office at Zhongshan District, Taipei City, with a land area of 30.3831 pings and a building area of 371.18 pings. The Company is proactively negotiating with potential buyers. When classifying this property as a non-current asset held for sale, no impairment loss was recognized. As of December 31, 2025, no impairment had occurred.

Please refer to Note 28 for the amount of non-current assets held for sale pledged as collateral for borrowings.

XVII. Borrowings

Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u>		
Bank mortgage	\$ <u>200,000</u>	\$ <u>272,177</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank loan interest rate range	2.4%	2.2%~3.5%

Please refer to Note 28 for information about the collateral for secured borrowings.

XVIII. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payroll payable	\$ 5,568	\$ 4,986
Remuneration payable to employees	1,208	6,441
Remuneration payable to directors	1,007	4,830
Sales tax payable	1,334	581
Stock settlement payable	10,465	95,744
Others	<u>2,648</u>	<u>3,444</u>
	<u>\$ 22,230</u>	<u>\$ 116,026</u>

XIX. Post-employment benefit plan

(I) Defined contribution plan

The Company adopts a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' personal pension accounts at 6% of their monthly salaries.

(II) Defined benefit plan

The pension system implemented by the Company in accordance with the "Labor Standards Act" of R.O.C. is a defined benefit pension plan managed by the government. Employee pension is paid based on years of service and the average salary of the six months prior to the date of approved retirement. The Company appropriates 3.8% of the employees' monthly salary as pension, which is then deposited into a special account at the Bank of Taiwan in the name of the Labor Pension Reserve Supervisory Committee. Employees who are expected to meet the retirement criteria will be allocated the difference in a lump sum before the end of March of the following year. The special account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment management strategy.

The amount of the defined benefit plan included in the parent-only balance sheet is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Defined benefit obligation	\$ 21,948	\$ 20,296
Fair value of plan assets	(<u>17,951</u>)	(<u>16,512</u>)
Net confirmed benefit debt	<u>\$ 3,997</u>	<u>\$ 3,784</u>

Changes in the net defined benefit liability are as follows:

	<u>Defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net confirmed benefit debt</u>
Balance as of January 1, 2025	<u>\$ 20,296</u>	(<u>\$ 16,512</u>)	<u>\$ 3,784</u>
Current period service costs	259	-	259
Interest expense (income)	<u>149</u>	(<u>151</u>)	(<u>2</u>)
Recognized in remeasurement of profit and loss	<u>408</u>	(<u>151</u>)	<u>257</u>
Return on plan assets (except for the amount included in net interest)	-	(1,288)	(1,288)
Actuarial gains or losses			
- Changes in financial assumptions	346	-	346
- Experience-based adjustments	<u>898</u>	<u>-</u>	<u>898</u>
Deferred tax income (expense) recognized in other comprehensive income	<u>1,244</u>	(<u>1,288</u>)	(<u>44</u>)
Balance as of December 31, 2025	<u>\$ 21,948</u>	(<u>\$ 17,951</u>)	<u>\$ 3,997</u>
Balance as of January 1, 2024	<u>\$ 21,967</u>	(<u>\$ 16,346</u>)	<u>\$ 5,621</u>
Current period service costs	262	-	262
Interest expense (income)	<u>135</u>	(<u>112</u>)	<u>23</u>
Recognized in remeasurement of profit and loss	<u>397</u>	(<u>112</u>)	<u>285</u>
Return on plan assets (except for the amount included in net interest)	-	(1,635)	(1,635)
Actuarial gains or losses			
- Changes in financial assumptions	(346)	-	(346)
- Experience-based adjustments	(<u>141</u>)	<u>-</u>	(<u>141</u>)
Deferred tax income (expense) recognized in other comprehensive income	(<u>487</u>)	(<u>1,635</u>)	(<u>2,122</u>)
Plan asset payment	(<u>1,581</u>)	<u>1,581</u>	<u>-</u>
Balance on December 31, 2024	<u>\$ 20,296</u>	(<u>\$ 16,512</u>)	<u>\$ 3,784</u>

Due to the pension system under the Labor Standards Act, the Company is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through

commissioned management The Company's The income is calculated based on the interest rate not lower than the local bank for 2-year time deposit.

2. Interest rate risk: The decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment of the plan assets will also increase, which will partially offset the effect of the net defined benefit liability.
3. Salary risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, the increase in the salary of the plan members will increase the present value of the defined benefit obligation.

The actuarial calculation of the present value of the Company's defined benefit obligation was carried out by qualified actuaries. The significant assumptions made on the measurement date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.3000%	1.6000%
Expected rate of increase in salary	1.8750%	1.8750%
Turnover rate	2.000% ~ 27.000%	2.000% ~ 27.000%

If there are reasonably possible changes to the major actuarial assumptions, and all other assumptions remain unchanged, the present value of the defined benefit obligation will be increased (decreased) by the following amounts:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.25%	(\$ <u>298</u>)	(\$ <u>297</u>)
Decrease by 0.25%	\$ <u>304</u>	\$ <u>303</u>
Expected rate of increase in salary		
Increase by 0.25%	\$ <u>293</u>	\$ <u>293</u>
Decrease by 0.25%	(\$ <u>288</u>)	(\$ <u>288</u>)

Due to the fact that actuarial assumptions may be related to each other, and it is unlikely that only a single assumption will change, the sensitivity analysis above may not reflect the actual changes in the present value of defined benefit obligations.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contribution amount within 1 year	\$ <u>-</u>	\$ <u>-</u>
Average duration of defined benefit obligations	4 years	5 years

XX. Equity

(I) Share capital

Common stock

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares (thousand)	<u>250,000</u>	<u>250,000</u>
Authorized capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and fully paid (thousand shares)	<u>189,002</u>	<u>189,002</u>
Issued capital stock	<u>\$ 1,890,023</u>	<u>\$ 1,890,023</u>

The ordinary shares issued with a par value of NT\$10 per share are entitled to one voting right and the right to receive dividends.

(II) Capital reserve

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>May be used to offset losses, distribute cash or capitalize on capital (1)</u>		
Treasury shares transaction	\$ 20,348	\$ 20,348
Difference between the price and book value of the subsidiary's equity acquired or disposed actually	20,344	20,032
<u>May only be used to offset a deficit</u>		
Recognition of changes in ownership interests of subsidiaries (2)	18	18
Unclaimed dividends after expiry date	<u>548</u>	<u>582</u>
	<u>\$ 41,258</u>	<u>\$ 40,980</u>

- Such capital surplus may be used to offset a deficit, and may be distributed as cash or applied to share capital when the Company has no deficits, provided that the capital surplus shall not exceed a certain percentage of the Company's paid-in share capital each year.
- This type of capital surplus is the effect of equity transactions recognized due to changes in the company's equity when the Company does not actually acquire or dispose of the equity of the subsidiary or the adjustment to the capital surplus of the company adopting the equity method to recognize.

(III) Retained earnings and dividend policy

According to the earnings appropriation policy of the Company, any earnings at the end of the year are subject to taxes and taxes, and after offsetting the accumulated losses, and then 10% of the earnings are set aside as legal reserve, and the remainder is appropriated or reversed as special reserves. If there is any remaining balance, together with the accumulated undistributed earnings, the Board of Directors shall draft a motion for earnings distribution and propose to the shareholders' meeting for resolution of distribution of

dividends to shareholders. Please refer to Note 22(6) for the policy on the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

In order to meet the needs of diversified business development, sound financial structure, and protection of investors' rights and interests, the Company's dividend policy is based on the Company's future capital needs and long-term financial planning. In principle, the cash dividends distributed for retained earnings shall not be less than 20% of the distributable earnings, and the percentage of dividends distributed shall not be less than 50% of the total dividends distributed in the current year. The proportion of dividends to be distributed and the proportion of cash dividends may be determined based on the Company's operating capital needs and other circumstances. The Board of Directors is authorized to prepare a profit distribution proposal. When the plan is to be distributed in the form of issuing new shares, it should be submitted to the shareholders' meeting for resolution. When the plan is to be distributed in cash, it should be distributed after the Board of Directors' resolution and reported to the shareholders' meeting.

The legal reserve shall be appropriated until the balance reaches the Company's paid-in capital. Legal reserves may be used to offset losses. If the Company has no deficit, the portion exceeding 25% of the paid-in capital by the legal reserve may be appropriated into capital or distributed in cash.

The Company held the general shareholders' meetings on June 20, 2025 and June 25, 2024, and passed the 2024 and 2023 earnings distribution proposals as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	\$ 34,407	\$ 47,924
Cash dividends	\$ 309,964	\$ 434,705
Cash dividend per share (NT\$)	\$ 1.64	\$ 2.3

The Company's Board of Directors proposed the 2025 earnings distribution plan on March 11, 2026, as follows:

	<u>2025</u>
Legal reserve	\$ 26,772
Special surplus reserve	\$ 25,653
Cash dividends	\$ 98,281
Cash dividend per share (NT\$)	\$ 0.52

The aforementioned cash dividends have been resolved by the Board of Directors, and the remaining earnings distribution will be subject to resolution at the annual shareholders' meeting scheduled for June 4, 2026.

XXI. Income

	<u>2025</u>	<u>2024</u>	
Revenue from contracts with customers			
Transportation revenue	\$ 561	\$ 12	
Rental income	<u>11,994</u>	<u>11,587</u>	
	<u>\$ 12,555</u>	<u>\$ 11,599</u>	
 <u>Contract balance</u>			
	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1, 2024</u>
Total notes and accounts receivable			
(Notes 10 and 27)	<u>\$ -</u>	<u>\$ 24,620</u>	<u>\$ 70,714</u>
Contract liabilities - current			
Real estate sales	<u>\$ 60,520</u>	<u>\$ 31,139</u>	<u>\$ -</u>

The change in contract liabilities was mainly due to the difference between the time point when the performance obligation is met and the time point when the payment of the customer is made.

XXII. Net profit

(I) Other income

	<u>2025</u>	<u>2024</u>
Dividend income	\$ 91,747	\$ 63,114
Liquidated damage income (Note 10)	-	80,000
Compensation income (Note 10)	-	24,620
Rental income	3,103	3,963
Others	<u>17,857</u>	<u>1,002</u>
	<u>\$ 112,707</u>	<u>\$ 172,699</u>

(II) Finance costs

	<u>2025</u>	<u>2024</u>
Interest on bank borrowings	\$ 4,867	\$ 2,220
Interest on lease liabilities	1,049	20
Imputed interest on deposits	<u>6</u>	<u>7</u>
	<u>\$ 5,922</u>	<u>\$ 2,247</u>

Information on capitalization of interest is as follows:

	<u>2025</u>	<u>2024</u>
Amount of capitalized interest	\$ 2,874	\$ 517
Interest rate of capitalized interest	3.250%~3.500%	3.250%~3.500%

(III) Other gains and losses

	<u>2025</u>	<u>2024</u>
Net gain (loss) on financial assets at fair value through profit or loss	(\$ 22,779)	\$ 174,453
Net gains (losses) on disposal of property, plant and equipment	173	(52)
Others	(1)	(81)
	<u>(\$ 22,607)</u>	<u>\$ 174,320</u>

(IV) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expenses by function		
Operating cost	\$ 5,958	\$ 5,776
Operating expense	<u>5,431</u>	<u>1,691</u>
	<u>\$ 11,389</u>	<u>\$ 7,467</u>
Amortization expenses are summarized by function		
Operating expense	<u>\$ 147</u>	<u>\$ 34</u>

(V) Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plan	\$ 525	\$ 456
Defined benefit plan	<u>256</u>	<u>285</u>
	781	741
Other employee benefits	<u>22,929</u>	<u>30,415</u>
Total employee benefit expenses	<u>\$ 23,710</u>	<u>\$ 31,156</u>
Summary by function		
Operating expense	<u>\$ 23,710</u>	<u>\$ 31,156</u>

(VI) Employees' compensation and remuneration of directors

Per resolution passed at the June 20, 2025 shareholders' meeting approving an amendment to the Company's Articles of Incorporation, the remuneration to employees and directors shall be appropriated at 1-5%, and no more than 3% of the profit before tax shall be appropriated as remuneration to entry-level employees, in the current year before deduction of remuneration to employees and directors. The 2025 and 2024 estimated remuneration of employees and remuneration of directors was resolved by the Board of Directors on March 11, 2026 and March 11, 2025, respectively, as follows:

Estimation ratio

	<u>2025</u>	<u>2024</u>
Employee remuneration	1.50%	2.0%
Remuneration to directors	1.25%	1.5%

Amount

	<u>2025</u>		<u>2024</u>	
	<u>Cash</u>	<u>Stock</u>	<u>Cash</u>	<u>Stock</u>
Employee remuneration	\$ 1,208	\$ -	\$ 6,441	\$ -
Remuneration to directors	1,007	-	4,830	-

If there is a change in the amount after the annual consolidated financial statements were authorized for issue, the difference is treated as a change in accounting estimate and adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' compensation and remuneration of directors paid in 2024 and 2023 and the amount recognized in the 2024 and 2023 consolidated financial statements.

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

XXIII. Income tax

(I) Income tax recognized in profit or loss

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

	<u>2025</u>	<u>2024</u>
Current income tax		
Incurred in the current year	\$ 23,996	\$ -
Adjustments made in previous years	<u>-</u>	<u>(21)</u>
	<u>23,996</u>	<u>(21)</u>
Deferred income tax		
Incurred in the current year	<u>(44,318)</u>	<u>408</u>
Income tax expenses (gain) recognized in profit or loss	<u>(\$ 20,322)</u>	<u>\$ 387</u>

The accounting income and income tax expenses are reconciled as follows:

	<u>2025</u>	<u>2024</u>
Net profit before tax	<u>\$ 78,319</u>	<u>\$ 310,760</u>
Income tax expense on net income before tax calculated at statutory tax rate	\$ 15,663	\$ 62,152
Non-deductible expense loss for tax purposes	278	42
Tax-exempted income	(20,863)	(58,157)
Basic tax difference payable	23,996	-
Adjustments to current income tax expenses of previous years	-	(21)
Unrecognized deductible temporary differences and loss carryforwards	(<u>39,396</u>)	(<u>3,629</u>)
Income tax (gain) expenses recognized in profit or loss	(<u>\$ 20,322</u>)	<u>\$ 387</u>
 (II) Income tax recognized in other comprehensive income		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deferred income tax		
Re-measurement of defined benefit plan	(<u>\$ 9</u>)	(<u>\$ 424</u>)
 (III) Current income tax assets and liabilities		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Income tax assets for the current year		
Tax refund receivable	<u>\$ 395</u>	<u>\$ 1,093</u>
Current income tax liabilities		
Income tax payable	<u>\$ 23,339</u>	<u>\$ -</u>
 (IV) Deferred income tax assets and liabilities		

Changes in deferred income tax assets and liabilities are as follows:

2025

	<u>Balance at the beginning of the year</u>	<u>Deferred tax income (expense) recognized in profit or loss</u>	<u>Deferred tax income (expense) recognized in other comprehensive income</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>				
Temporary difference				
Re-measurement of defined benefit plan	\$ 4,711	\$ 51	(\$ 9)	\$ 4,753
Loss deduction	<u>61,925</u>	<u>44,267</u>	<u>-</u>	<u>106,192</u>
	<u>\$ 66,636</u>	<u>\$ 44,318</u>	<u>(\$ 9)</u>	<u>\$ 110,945</u>

2024

	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for doubtful debts	\$ 465	(\$ 465)	\$ -	\$ -
Re-measurement of defined benefit plan	5,078	57	(424)	4,711
Loss deduction	<u>61,925</u>	<u>-</u>	<u>-</u>	<u>61,925</u>
	<u>\$ 67,468</u>	<u>(\$ 408)</u>	<u>(\$ 424)</u>	<u>\$ 66,636</u>

- (V) Deductible temporary differences and unused loss credits of deferred income tax assets not recognized in the parent company only balance sheet

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss deduction		
Due 2026	\$ -	\$ 87,006
Due 2030	-	127,678
Due 2031	<u>152,557</u>	<u>181,949</u>
	<u>\$ 152,557</u>	<u>\$ 396,633</u>
Deductible temporary differences		
Impairment loss of financial assets	<u>\$ 171,628</u>	<u>\$ 180,283</u>

- (VI) Information on unused loss carryforwards

As of December 31, 2025, the Company's loss carryforwards are as follows:

<u>Balance yet to be deducted</u>	<u>Final year of deduction</u>
\$ 64,262 (Approved)	2026
255,356 (Approved)	2030
<u>363,898 (Approved)</u>	2031
<u>\$ 683,516</u>	

- (VII) Authorization of income tax

The Company's profit-seeking enterprise income tax returns up to 2023 have been approved by the tax collection authority.

XXIV. Earnings per share (EPS)

<u>Number of shares</u>	Unit: NTD per share	
	<u>2025</u>	<u>2024</u>
Basic earnings per share	<u>\$ 0.52</u>	<u>\$ 1.64</u>
Diluted earnings per share	<u>\$ 0.52</u>	<u>\$ 1.64</u>

The earnings and the weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net income for the year

	<u>2025</u>	<u>2024</u>
Net income for the year	<u>\$ 98,641</u>	<u>\$ 310,373</u>

Number of shares

Unit: Thousand shares

	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	189,002	189,002
Effect of potential dilutive ordinary shares:		
Employee remuneration	<u>134</u>	<u>303</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>189,136</u>	<u>189,305</u>

If the Company may choose to distribute the compensation to employees in shares or cash, for the calculation of diluted earnings per share, it is assumed that the compensation to employees will be distributed in shares, and the ordinary shares may be included in the weighted average number of shares outstanding when there is a dilution effect to calculate the diluted earnings per share. In the calculation of diluted earnings per share before the number of shares to be distributed to employees is resolved in the following year, the dilutive effect of these potentially dilutive ordinary shares will also be considered.

XXV. Capital risk management

The Company's capital structure management strategy is based on the characteristics of the current operating industry, future growth and development blueprint, calculates the required working capital and the size of various assets for long-term development, and makes a holistic plan, taking into account changes in the external environment, industry The Company also ensures that the Group's invested companies can continue to operate and grow by optimizing debt and equity balances to provide shareholders with sufficient returns and maintain the most appropriate capital structure.

The Company's management reviews the capital structure on a regular basis, and takes into account the costs and risks that may be involved in different capital structures, and monitors funds through the asset-liability ratio to adopt prudent risk management strategies.

XXVI. Financial instruments

(I) Information on fair value - financial instruments not measured at fair value

The Company's management believes that the book value of financial assets and financial liabilities not measured at fair value is close to its fair value, or its fair value cannot be measured reliably.

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

1. Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss</u>				
TWSE/TPEX-listed stocks	\$ 1,082,280	\$ -	\$ -	\$ 1,082,280
<u>Financial assets measured at fair value through other comprehensive income</u>				
TWSE/TPEX-listed stocks	\$ 107,575	\$ -	\$ -	\$ 107,575

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss</u>				
TWSE/TPEX-listed stocks	\$ 1,056,567	\$ -	\$ -	\$ 1,056,567
<u>Financial assets measured at fair value through other comprehensive income</u>				
TWSE/TPEX-listed stocks	\$ 101,660	\$ -	\$ -	\$ 101,660
Domestic unlisted stocks	-	258,336	-	258,336
	<u>\$ 101,660</u>	<u>\$ 258,336</u>	<u>\$ -</u>	<u>\$ 359,996</u>

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

2. Valuation techniques and inputs for Level 2 fair value measurement

<u>Type of financial instrument</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted stocks	Market method: For companies in the same industry and with similar operating and financial conditions, the transaction price of their stocks in an active market, and the corresponding value multiplier, and consider the liquidity risk to calculate the liquidity discount to convert the value of the target. Asset method: Fair value is derived from inputs that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable, which is belonging to the assets or liabilities.

(III) Types of Financial Instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	\$ 1,082,280	\$ 1,056,567
Financial assets at amortized cost (Note 1)	361,156	940,358
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	107,575	359,996
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	245,288	417,826

Note 1: The balance includes cash, financial assets measured at amortized cost, notes receivable, accounts receivable net, accounts receivable - related parties net, other receivables net, other receivables - related parties, Other financial assets - current and refundable deposits - non-current financial assets measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, long-term borrowings (including current portion), guarantee deposits received - current (recorded in "other current liabilities") and guarantee deposits received.

(IV) Financial Risk Management Objectives and Policies

The Company's main financial instruments include cash, investment in equity instruments, accounts receivable, accounts payable, and borrowings. The Company's financial strategy is mainly based on the principle of conservatism and stability. The goal of financial risk management is to manage the interest rate risk, credit risk, and liquidity risk related to operating activities. In order to reduce related financial risks, the Company has established a complete range of approval authorities to establish financial policies and supervision procedures with clear authorities and responsibilities to reduce potential adverse effects of market changes on the Company's financial performance.

The Company's important financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of a financial plan, the Company must strictly follow the relevant financial operating procedures for financial risk management and division of responsibilities.

1. Market risk

The main financial risks that the Company is exposed to as a result of the Company's operating activities are the interest rate risk (see (1) below) and other price risks (see (2) below).

The Company's exposure to the market risk of financial instruments and the management and measurement of such exposure have not changed.

(1) Interest rate risk

Because the Company borrows funds at fixed and floating interest rates at the same time, the interest rate risk is generated. The Company manages the interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Company regularly evaluates hedging activities to make it consistent with the view on interest rates and the established risk preference to ensure that the most cost-effective hedging strategy is adopted.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to the interest rate risk at the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
- Financial liabilities	\$ 55,729	\$ 1,839
Cash flow interest rate risk		
- Financial assets	332,757	914,594
- Financial liabilities	200,000	272,177

Sensitivity analysis

The sensitivity analysis below is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. Assets and liabilities with floating interest rates are analyzed on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period. The rate of change used when the interest rate is reported to key management within the Company is 100 basis points for increase or decrease in interest rate, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the Company's net loss before tax for 2025 and 2024 would increase/decrease by NT\$1,328 thousand and decrease/increase by NT\$6,424 thousand, mainly due to the Company's variable interest rate deposits and variable interest rate borrowings.

(2) Other pricing risks

The exposure to the equity price is incurred due to the Company's holding of TWSE/TPEX-listed and unlisted stocks. The Company does not actively trade these investments, but assigns relevant personnel to supervise the price risk and assess when it is necessary to increase the risk-averse position.

Sensitivity analysis

The sensitivity analysis below was conducted based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT\$10,823 thousand in 2025 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2025 would have increased/decreased by NT\$1,076 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT\$10,566 thousand in 2024 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2024 would have increased/decreased by NT\$3,600 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company's maximum credit risk exposure of financial losses that may be caused by the counterparty's failure to perform its obligations is mainly from the book value of the financial assets recognized in the standalone balance sheet.

In order to mitigate the credit risk, the management of the Company assigns a dedicated team responsible for the determination of credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Company will review the recoverable amount of the receivables one by one at the balance sheet date to ensure that the appropriate impairment loss has been recognized for the irrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

Those subject to accounts receivable cover many customers of different industries and sectors. The Company continues to evaluate the financial status of customers with accounts receivable.

In addition, the credit risk is minor because the counterparties of the liquid capital transaction are financial institutions and companies with a good credit rating.

3. Liquidity risk

The Company manages and maintains sufficient positions of cash to finance operations and mitigate the impact of fluctuating cash flows. The management of the Company supervises the utilization of the bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company. For the Company's unused financing facilities as of the end of 2025 and 2024, please refer to the description of (2) financing facilities below.

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

The remaining contractual maturity analysis of non-derivative financial liabilities is based on the earliest date at which the Company may be required to repay and is compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings for which the Company may be required to repay immediately were included in the earliest period in the table below, regardless of the probability of the bank exercising the right immediately; the maturity analysis of other non-derivative financial liabilities was compiled according to the agreed repayment date.

For the interest cash flow paid with floating interest rates, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

December 31, 2025

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	5-10 years
Non-interest-bearing liabilities	\$ 13,766	\$ 21,656	\$ 388	\$ -	\$ -
Lease liabilities	533	1,066	9,899	27,147	22,701
Floating interest rate instruments	400	800	3,600	212,400	-
	<u>\$ 14,699</u>	<u>\$ 23,522</u>	<u>\$ 13,887</u>	<u>\$ 239,547</u>	<u>\$ 22,701</u>

December 31, 2024

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years
<u>Non-derivative financial instruments</u>				
Non-interest-bearing liabilities	\$ 115,205	\$ 12,355	\$ 891	\$ -
Lease liabilities	33	66	299	1,560
	<u>\$ 115,238</u>	<u>\$ 12,421</u>	<u>\$ 1,190</u>	<u>\$ 1,560</u>

The bank borrowings for which the Company may be required to repay immediately were included in the period shorter than 1 month in the maturity analysis above. As of December 31, 2025 and 2024, the undiscounted capital of such bank borrowings All cash balances were \$0.

The amount of floating rate instruments for the above non-derivative financial assets and liabilities will change due to the difference between the floating rate and the estimated rate on the balance sheet date.

(2) Financing limit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank facilities (reviewed every year)		
- Amount used	\$ -	\$ -
- Unutilized amount	<u>80,000</u>	<u>80,000</u>
	<u>\$ 80,000</u>	<u>\$ 80,000</u>
Guaranteed bank facilities		
- Amount used	\$ 200,000	\$ 272,177
- Unutilized amount	<u>248,000</u>	<u>402,123</u>
	<u>\$ 448,000</u>	<u>\$ 674,300</u>

XXVII. Related-party transactions

The transactions between the Company and related parties are as follows

(I) Names of related parties and their relationships

<u>Name of the related parties</u>	<u>Relationship with the Company</u>
Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Subsidiary
Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Subsidiary
Durban Development Co., Ltd. (Durban Development)	Substantive related party
Mayer Steel Pipe Corporation (Mayer Steel Pipe)	Substantive related party
Mayer Inn Corporation (Mayer Inn)	Substantive related party
The Sincere Department Store Ltd. (Sincere Department Store)	Substantive related party
Durban Dive Corporation (Durban Dive)	Substantive related party
TienPin Development Co., Ltd. (TienPin Development)	Associates
Yuan Chuan Steel Co., Ltd. (Yuan Chuan Steel)	Associates

(II) Operating revenue

<u>Accounting item</u>	<u>Type of related parties</u>	<u>2025</u>	<u>2024</u>
Transportation revenue	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	<u>\$ 561</u>	<u>\$ 561</u>

The price of sales between the Company and related parties is not significantly different from that of non-related parties.

(III) Operating expense

<u>Type of related parties</u>	<u>2025</u>	<u>2024</u>
Subsidiary		
Miramar Hospitality Co., Ltd.	\$ 125	\$ 216
Substantive related party		
Durban Dive	<u>48</u>	<u>-</u>
	<u>\$ 173</u>	<u>\$ 216</u>

(IV) Rental agreement

Operating leases

The Company leases the right-of-use of the building to its subsidiaries for operating lease with a lease term of 1 year. The lease income recognized for 2025 and 2024 was NT\$24 thousand and NT\$63 thousand, respectively.

The Company leases the right-to-use of the building to the substantially related party for operating lease with a lease term of 1 year. The lease income recognized in 2025 and 2024 was both NT\$24 thousand.

In the lease contract with the related party, the rent is negotiated based on the agreed price and the payment is collected by the agreed method. The price and payment terms are equivalent to those of the non-related party.

(V) Receivables from related parties (excluding loans to related parties)

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables - related parties	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	<u>\$ 62</u>	<u>\$ 62</u>

No guarantee is collected for accounts receivable from related parties.

(VI) Dividend income

<u>Type/Name of related parties</u>	<u>2025</u>	<u>2024</u>
Substantive related party		
Mayer Steel Pipe Corporation	\$ 44,880	\$ 36,000
Associates		
Yuan Chuan Steel	<u>22,731</u>	<u>5,059</u>
	<u>\$ 67,611</u>	<u>\$ 41,059</u>

(VII) Equity trading

In 2025, the Company acquired the equity of Miramar Hospitality Co., Ltd. from a related party for an amount of NT\$500 thousand.

In 2024, the Company acquired the equity of Miramar Hospitality from related parties: The Sincere Department Store, Mayer Inn, and Miramar Hospitality Co., Ltd., for an amount of NTD 8,000 thousand, NTD 5,200 thousand, and NTD 5,800 thousand, respectively.

(VIII) Disposal of financial assets

January 1 to December 31, 2025

Type/Name of related parties	Accounting item	Number of shares traded	Trading targets	Disposal proceeds	Disposal gains (losses)
Associates	Financial assets	4,457,142	Yuan Chuan Steel Co., Ltd.	<u>\$ 204,350</u>	<u>\$ 177,075</u>
Miramar Hotel Taipei Co., Ltd.	measured at fair value through other comprehensive income		Ordinary shares		

Sale of ordinary shares of Yuan Chuan Steel Co., Ltd.; related other equity – unrealized gains or losses of NT\$177,075 thousand on financial assets measured at fair value through other comprehensive income were transferred to retained earnings.

(IX) Compensation of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 12,692	\$ 20,888
Post-employment benefits	279	485
Termination benefits	<u>121</u>	<u>-</u>
	<u>\$ 13,092</u>	<u>\$ 21,373</u>

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

XXVIII. Pledged Assets

The following assets have been provided to financial institutions and the State-owned Property Bureau, Ministry of Finance as collateral for short-term bank loan facilities, long-term bank loan facilities, leased land, and pre-sale house trust:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets measured at fair value through profit or loss - current	\$ 218,960	\$ 257,600
Property, plant and equipment	41,127	110,497
Buildings and land held for sale (stated as inventories)	306,982	290,871
Bank deposits (booked in other financial assets - current)	29,664	-
Non-current assets held for sale	69,021	-
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	<u>50</u>	<u>50</u>
	<u>\$ 665,804</u>	<u>\$ 659,018</u>

XXIX. Other matters

Considering future business development plans, strengthening overall operations, adjusting business strategies, and enhancing operational efficiency to align with long-term development strategies, the Company's subsidiary, Miramar Hospitality Co., Ltd., resolved at its board meeting on March 12, 2024, and received approval from the Taipei Exchange to terminate the trading of its Emerging Stock Board shares effective March 30, 2024. Subsequently, as resolved at the shareholders' meeting on June 13, 2024, and upon receiving approval from the FSC, the Company ceased public issuance of its shares effective June 25, 2024.

XXX. Additional Disclosures

(I) Significant transactions information:

1. Loans to others: None.
2. Endorsements/guarantees provided for others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, and associates): Table 1.
4. Total purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

(II) Information on investees (Table 2)

(III) Information on investments in Mainland China: None.

Tze Shin International Co., Ltd. and its subsidiaries
Significant marketable securities held at the end of the period
December 31, 2025

Table 1

Unit: NT\$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	Year-end				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/net equity value (Note 1)	
The company	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,400	\$ 485,520	7.64	\$ 485,520	Note 2
	Quanta Computer Inc.	—	Financial assets measured at fair value through profit or loss - current	150	40,800	-	40,800	
	Tatung Company	—	Financial assets measured at fair value through profit or loss - current	3,000	94,650	0.14	94,650	
	Hon Hai Precision Ind. Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	600	138,300	-	138,300	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	30	46,500	-	46,500	
	Delta Electronics, Inc.	—	Financial assets measured at fair value through profit or loss - current	30	28,890	-	28,890	
	Tze Shin International Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	400	22,800	0.15	22,800	
	Asia Optical Co., Inc.	—	Financial assets measured at fair value through profit or loss - current	450	62,550	0.16	62,550	
	Symtek Automation Asia Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	360	49,500	0.44	49,500	
	SYSCOM Computer Engineering Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	300	15,900	0.30	15,900	
	Yageo Corporation	—	Financial assets measured at fair value through profit or loss - current	250	57,750	0.01	57,750	
	APAQ Technology Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	240	39,120	0.26	39,120	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	6,500	107,575	0.18	107,575	
	Hermosa Optoelectronics Corporation	—	Financial assets measured at fair value through profit or loss - Current-Non-current	4,088	-	5.37	-	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	II E-Commerce Network Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
Rosa Foods Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-		
Miramar Hospitality Co., Ltd.	Stock							
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	4,892	10.00	4,892	

Note 1: Marketable securities in this table refer to ordinary shares and fund beneficiary certificates that fall within the scope of IFRS 9 "Financial Instruments."

Note 2: Among them, Mayer Steel Pipe Corporation pledged 9,200 thousand shares as the collateral for short-term bank borrowings.

Tze Shin International Co., Ltd. and subsidiaries
The name and location of the investee company and other relevant information
January 1 to December 31, 2025

Table 2

Unit: NT\$ thousand

Name of the investors	Name of the investees	Location	Main business and products	Original / investment amount		Held at the end of the year			Gains (losses) of investees for the current year	Investment gains (losses) recognized in the current year	Remarks
				December 31, 2025	December 31, 2024	Shares (Thousands)	Percentage (%)	Carrying amount			
The Company	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	\$ 288,352	\$ 287,402	27,177	73.03	\$ 319,219	\$ 319,219	\$ 31,095	Subsidiary
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City	Automobile container transportation and related business operations and investments	23,504	33,787	1,424	47.47	59,809	59,809	4,995	Subsidiary
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,751	7,751	(67)	Subsidiary (Note 3)
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	71,400	71,400	3,540	13.33	-	-	-	Subsidiary (Note 4)

Note 1: The calculation is based on the financial statements audited by the CPA in the same period.

Note 2: Investment gains or losses from investees, investments accounted for under the equity method and equity in investees are written off.

Note 3: The number of shares held by Tze Shin International Co., Ltd. in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT\$67 thousand is recognized.

Note 4: When the share of loss in an associate of Miramar Hospitality Co., Ltd., as stated in IAS, equals to or exceeds its interest in the associate, it immediately discontinues the recognition of further losses.

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Tze Shin International Co., Ltd.
Statement of Cash
December 31, 2025

Statement1

Unit: NTD thousands, unless stated otherwise

Name	Amount
Cash on hand and working capital	\$ 100
Check deposit with bank	109
Bank demand deposits	<u>303,043</u>
	<u>\$ 303,252</u>

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTPL - Current
December 31, 2025

Table 2

Unit: Except for the unit price in NTD, the remainder in NT\$1,000

Type and name of securities	Shares (Thousand)	Acquisition cost	Accumulated income	Fair value	
				Unit price (Note 1)	Total price
TWSE/TPEX-listed stocks					
Mayer Steel Pipe Corporation	20,400	\$ 309,514	\$ 176,006	23.80	\$ 485,520
Quanta Computer Inc..	150	39,531	1,269	272.00	40,800
Tatung Company	3,000	151,923	(57,273)	31.55	94,650
Hon Hai Precision Ind. Co., Ltd.	600	122,814	15,486	230.50	138,300
Taiwan Semiconductor Manufacturing Co., Ltd.	30	42,725	3,775	1550.00	46,500
Delta Electronics, Inc.	30	27,965	925	963.00	28,890
Tze Shin International Co., Ltd.	400	24,527	(1,727)	57.00	22,800
Asia Optical Co., Inc.	450	69,086	(6,536)	139.00	62,550
Symtek Automation Asia Co., Ltd.	360	56,644	(7,144)	137.50	49,500
SYSCOM Computer Engineering Co., Ltd.	300	18,395	(2,495)	53.00	15,900
Yageo Corporation	250	57,728	22	231.00	57,750
APAQ Technology Co., Ltd.	240	<u>44,611</u>	(<u>5,491</u>)	163.00	<u>39,120</u>
		<u>\$ 965,463</u>	<u>\$ 116,817</u>		<u>\$ 1,082,280</u>

Note 1: The fair value of domestically listed shares was calculated based on the closing price at the end of 2025.

Note 2: Among them, Mayer Steel Pipe Corporation pledged 9,200 thousand shares as the collateral for short-term bank borrowings.

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTPL - Non-current
December 31, 2025

Table 3

Unit: Except for the unit price in NTD, the remainder in
NT\$1,000

<u>Type and name of securities</u>	<u>Shares (Thousand)</u>	<u>Acquisition cost</u>	<u>Accumulated income</u>	<u>Fair value at year-end</u>
Domestic unlisted stocks				
Hermosa Optoelectronics Corporation	4,088	<u>\$ 16,501</u>	<u>(\$ 16,501)</u>	<u>\$ -</u>

Note: As of the end of 2025, the Company had not provided any collateral or pledged financial assets at fair value through profit or loss - non-current.

Tze Shin International Co., Ltd.
Statement of Changes in Investment Using the Equity Method
2025

Table 4

Unit: NT\$ thousand

Investee	Balance at the beginning of the year		Changes in the current year				Investment income (loss) (Note 1)	Year-end balance			Remarks
	Shares (Thousand)	Amount	Increase		Decrease			Shares (Thousand)	% of shareholding	Amount	
			Shares (Thousand)	Amount	Shares (Thousand)	Amount					
Investment accounted for under the equity method											
Non-listed and TPEX-listed company											
Miramar Hospitality Co., Ltd.	27,082	\$ 312,945	95	\$ 950	-	\$ 25,771	\$ 31,095	27,177	73.03	\$ 319,219	Note 2
Hsin Hai Transportation & Terminal Co., Ltd.	2,452	80,030	-	-	1,028	25,216	4,995	1,424	47.47	59,809	Note 3
Miramar Resort Co., Ltd.	40,070	<u>7,818</u>	-	<u>-</u>	-	<u>-</u>	(<u>67</u>)	40,070	66.18	<u>7,751</u>	Note 4
		<u>\$ 400,793</u>		<u>\$ 950</u>		<u>\$ 50,987</u>	<u>\$ 36,023</u>			<u>\$ 386,779</u>	

Note 1: The calculation was based on the financial statements audited by CPAs and the Company's shareholding ratio.

Note 2: The increase this year was attributable to new investments of NT\$950 thousand; the decrease this year was due to cash dividends of NT\$26,090 thousand distributed by the investee company and other comprehensive income of NT\$(167) thousand recognized in equity for subsidiaries and associates. Changes in shareholding ratios also affected capital surplus and other equity by NT\$(312) thousand and NT\$160 thousand, respectively.

Note 3: The decrease for the current year is due to a cash capital reduction of NT\$10,283 thousand by an investee, cash dividends of NT\$14,714 thousand, and a portion of other comprehensive loss of subsidiaries and associates recognized under the equity method amounting to NT\$219 thousand.

Note 4: The number of shares held by the Company in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT\$67 thousand is recognized.

Tze Shin International Co., Ltd.
Statement of Short-Term Bank Borrowings
December 31, 2025

Table 5

Unit: NT\$ thousand

Type of borrowings and creditors	Duration of the loan	Annual interest rate (%)	Amount	Financing limit	Assets pledged
Bank mortgage					
First Bank			\$ -	\$ 20,000	Financial assets at fair value through profit or loss - current (Note 1)
Hua Nan Bank			-	45,000	Lease of land (Lungjing-Chungho Section, Taichung)
Chang Hwa Bank			-	60,000	Financial assets at fair value through profit or loss - current (Note 2)
Bank of Panshin			-	40,000	Financial assets at fair value through profit or loss - current (Note 3)
The Shanghai Commercial & Savings Bank, Ltd.			-	33,000	Financial assets measured at FVTPL - current or financial assets measured at FVTPL - current
Union Bank of Taiwan			-	50,000	Financial assets measured at fair values through other comprehensive income - current
			<u>-</u>	<u>248,000</u>	
Bank credit loan					
Taiwan Cooperative Bank			-	30,000	
Bank of Taiwan			-	30,000	
Bank of Panshin			-	20,000	
			<u>-</u>	<u>80,000</u>	
			<u>\$ -</u>	<u>\$ 328,000</u>	

Note 1: 2,800 thousand shares in Mayer Steel Pipe Corporation.

Note 2: 4,000 thousand shares in Mayer Steel Pipe Corporation.

Note 3: 2,400 thousand shares in Mayer Steel Pipe Corporation.

Note 4: As of the end of 2025, the Company's short-term financing facilities offered by all banks amounted to approximately NT\$328,000 thousand, and the unused short-term financing facilities amounted to approximately NT\$328,000 thousand.

Tze Shin International Co., Ltd.
Statement of Long-term Bank Borrowings
December 31, 2025

Table 6

Unit: NT\$ thousand

Type of borrowings and creditors	Duration of the loan	Annual interest rate (%)	Amount	Financing limit	Assets pledged
Bank mortgage					
Hua Nan Bank	2024.05.03-2029.08.01	2.40%	<u>\$ 200,000</u>	<u>\$ 200,000</u>	Building on Jianguo North Road, Taipei City

Note 1: As of the end of 2025, the Company's long-term financing facilities offered by all banks amounted to approximately NT\$200,000 thousand, and the unused long-term financing facilities amounted to approximately NT\$0.

Tze Shin International Co., Ltd.
Statement of Net Operating Income
2025

Table 7

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>
Total operating revenue	
Transportation revenue	
Others	\$ 561
Rental income	<u>11,994</u>
Total operating revenue	<u>12,555</u>
 Net revenue	 <u>\$ 12,555</u>

Tze Shin International Co., Ltd.
Statement of Operating Costs
2025

Table 8

Unit: NT\$ thousand

Item	Amount
Transportation cost	
Others	\$ 326
Lease cost	5,393
Construction cost	200
Other costs	<u>49</u>
	<u>\$ 5,968</u>

Tze Shin International Co., Ltd.
Statement of Operating Expenses
2025

Table 9

Unit: NT\$ thousand

Item	Transportation expenses	Construction expenses	Lease expenses	Other expenses	Total
Salaries and wages (Note 1)	\$ 2,155	\$ 13,064	\$ 1,699	\$ 4,433	\$ 21,351
Taxation	335	3,056	261	708	4,360
Labor service expense	436	3,446	339	920	5,141
Depreciation	487	3,537	379	1,029	5,432
Management fee	-	-	4,498	-	4,498
Others (Note 2)	<u>1,069</u>	<u>7,450</u>	<u>822</u>	<u>2,181</u>	<u>11,522</u>
	<u>\$ 4,482</u>	<u>\$ 30,553</u>	<u>\$ 7,998</u>	<u>\$ 9,271</u>	<u>\$ 52,304</u>

Note 1: Includes salaries and remuneration to employees.

Note 2: All amounts did not exceed 5% of the amounts in this account.

Tze Shin International Co., Ltd.

Summary table of employee benefits, depreciation, and amortization expenses incurred in the current year, by function
2025 and 2024

Table 10

Unit: NT\$ thousand

	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salary expenses	\$ -	\$ 20,344	\$ 20,344	\$ -	\$ 23,983	\$ 23,983
Labor and health insurance	-	1,572	1,572	-	1,596	1,596
Pension costs	-	781	781	-	741	741
Directors' Remuneration	-	1,007	1,007	-	4,830	4,830
Other employee benefits expense	-	6	6	-	6	6
	<u>\$ -</u>	<u>\$ 23,710</u>	<u>\$ 23,710</u>	<u>\$ -</u>	<u>\$ 31,156</u>	<u>\$ 31,156</u>
Depreciation	<u>\$ 5,957</u>	<u>\$ 5,432</u>	<u>\$ 11,389</u>	<u>\$ 5,776</u>	<u>\$ 1,691</u>	<u>\$ 7,467</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 147</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 34</u>

Note 1: In 2025 and 2024, the number of employees was 27 and 26, respectively, of which the number of directors who did not serve as employees concurrently was 5. The calculation basis is consistent with the employee benefit expense.

Note 2: (1) In 2025 and 2024, the average employee benefit expenses were NT\$1,032 thousand and NT\$1,254 thousand, respectively.

(2) In 2025 and 2024, the average employee salaries and wages were NT\$924 thousand and NT\$1,142 thousand, respectively.

(3) Average employee salaries and wages decreased by 19% over the two years.

(4) The Company no longer has supervisors, and the Audit Committee has replaced the supervisors in accordance with the laws.

(5) Compensation and remuneration policy (including directors, independent directors, managerial officers, and employees).

Remuneration to directors: according to the Company's Articles of Incorporation, the Compensation and Remuneration Committee decides and the remuneration is paid after the resolution of the Board of Directors.

Remuneration to managerial officers and employees: Approved according to their respective job descriptions, education background, and expertise. Salary adjustments or bonuses are made based on the Company's operating conditions and employee performance. Remuneration to managerial officers is resolved by the Remuneration Committee and reported to the Board of Directors for approval.