

Tze Shin International Co., Ltd.
and its subsidiaries

Consolidated financial statements and
independent auditor's report
2025 and 2024

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Declaration of Consolidation of Financial Statements of Affiliates

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for financial year 2025 (from January 1 to December 31, 2025). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements. Therefore, no separate consolidated financial statement of affiliated enterprises was prepared.

Hereby declare

Company Name: TZE SHIN INTERNATIONAL CO., LTD.

Person in charge: Chun-Fa Huang

March 11, 2026

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. and its subsidiaries (the "Group") as of December 31, 2025 and 2024 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the consolidated 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, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

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 Consolidated Financial Statements." We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements of the Group. These matters were addressed in our audit of the consolidated 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 consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Occurrence of transportation revenue

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 Group for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the consolidated financial statements.

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.

Others

Tze Shin International Co., Ltd. has prepared individual financial statements for 2025 and 2024, which have been audited with an unqualified opinion by our firm. These statements are available for your reference.

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

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

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 Group's consolidated 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. and subsidiaries
Consolidated Balance Sheet
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)	\$ 450,345	11	\$ 1,043,765	24
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7, 30 and 33)	1,082,280	27	1,088,035	25
1120	Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 33)	107,575	3	110,480	2
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 28)	23,350	1	23,350	-
1150	Net notes receivable (Notes 4, 10 and 23)	11,769	-	33,884	1
1160	Notes receivable - related parties (Notes 4, 10, 23 and 29)	19,870	-	31,341	1
1170	Net accounts receivable (Notes 4, 10 and 23)	35,963	1	39,394	1
1180	Accounts receivable - related parties (Notes 4, 10, 23 and 29)	23,553	1	35,287	1
1200	Other receivables, net (Notes 4, 10 and 29)	27,445	1	4,498	-
1310	Net inventory (Notes 4 and 11)	773,678	19	383,156	9
1410	Prepayments	19,831	-	23,190	-
1460	Non-current assets held for sale (Note 17)	69,021	2	-	-
1476	Other financial assets - current (Notes 4 and 18)	33,146	1	7,093	-
1479	Other current assets (Note 4)	16,434	-	16,145	-
11XX	Total current assets	<u>2,694,260</u>	<u>67</u>	<u>2,839,618</u>	<u>64</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	4,892	-	262,972	6
1600	Property, plant and equipment (Notes 4, 13 and 30)	150,946	4	220,339	5
1755	Right-of-use assets (Notes 3, 4 and 15)	522,365	13	483,103	11
1760	Investment property (Notes 4, 15 and 30)	30,026	1	30,026	1
1780	Intangible assets (Notes 4, 16 and 30)	485,208	12	495,788	11
1840	Deferred tax assets (Notes 4 and 25)	118,431	3	84,616	2
1920	Refundable deposits (Notes 15 and 28)	2,512	-	1,383	-
1975	Net defined benefit assets (Notes 4 and 21)	5,079	-	5,718	-
1980	Other financial assets - non-current (Note 18)	-	-	3,042	-
1990	Other non-current assets (Note 28)	12,940	-	3,174	-
15XX	Total non-current assets	<u>1,332,399</u>	<u>33</u>	<u>1,590,161</u>	<u>36</u>
1XXX	Total Assets	<u>\$ 4,026,659</u>	<u>100</u>	<u>\$ 4,429,779</u>	<u>100</u>
Financial liabilities and equity					
Current liabilities					
2100	Short-term borrowings (Notes 4, 19 and 30)	\$ 60,000	1	\$ 80,000	2
2130	Contract liabilities - current (Note 23)	60,520	2	31,139	1
2150	Notes payable	14,458	-	20,609	1
2160	Notes payable - related parties (Note 29)	14,069	-	12,709	-
2170	Accounts payable	34,126	1	50,600	1
2180	Accounts payable - related parties (Note 29)	5,770	-	5,023	-
2200	Other payables (Note 20)	106,028	3	199,086	5
2220	Other payables - related parties (Notes 21 and 29)	55	-	55	-
2230	Current income tax liabilities (Notes 4 and 25)	24,957	1	407	-
2280	Lease liabilities - current (Notes 3, 4 and 14)	26,035	1	15,631	-
2320	Long-term loans due within one year (Notes 4, 19 and 30)	15,213	-	17,299	-
2399	Other current liabilities	18,663	-	15,982	-
21XX	Total current liabilities	<u>379,894</u>	<u>9</u>	<u>448,540</u>	<u>10</u>
Non-current liabilities					
2540	Long-term borrowings (Notes 4, 19 and 30)	213,016	6	303,073	7
2580	Lease liabilities - non-current (Notes 3, 4 and 14)	519,126	13	489,997	11
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	3,997	-	3,784	-
2645	Guarantee deposits	507	-	307	-
2670	Other non-current liabilities - others	11,222	-	11,222	-
25XX	Total non-current liabilities	<u>747,868</u>	<u>19</u>	<u>808,383</u>	<u>18</u>
2XXX	Total liabilities	<u>1,127,762</u>	<u>28</u>	<u>1,256,923</u>	<u>28</u>
Equity attributed to owners of the Company					
3110	Ordinary shares	1,890,023	47	1,890,023	43
3200	Capital reserve	41,258	1	40,980	1
Retained earnings					
3310	Legal reserve	392,028	10	357,621	8
3350	Unappropriated earnings	417,156	10	493,808	11
3300	Total retained earnings	809,184	20	851,429	19
3400	Other equity	(25,653)	(1)	184,782	4
31XX	Total equity of the owner of the Company	<u>2,714,812</u>	<u>67</u>	<u>2,967,214</u>	<u>67</u>
36XX	Non-controlling interests	184,085	5	205,642	5
3XXX	Total Equity	<u>2,898,897</u>	<u>72</u>	<u>3,172,856</u>	<u>72</u>
Total Liabilities and Equity					
		<u>\$ 4,026,659</u>	<u>100</u>	<u>\$ 4,429,779</u>	<u>100</u>

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd. and subsidiaries
Consolidated 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	Operating revenue (Notes 4, 23 and 29)	\$ 672,112	100	\$ 687,138	100
5000	Operating costs (Notes 11, 24 and 29)	<u>459,381</u>	<u>68</u>	<u>492,531</u>	<u>72</u>
5950	Operating profit	<u>212,731</u>	<u>32</u>	<u>194,607</u>	<u>28</u>
	Operating expense				
6200	Operating expenses (Notes 24, 29 and 34)	201,295	30	212,065	31
6450	Expected credit impairment loss (gain) (Note 4 and 10)	<u>-</u>	<u>-</u>	<u>(915)</u>	<u>-</u>
6000	Subtotal	<u>201,295</u>	<u>30</u>	<u>211,150</u>	<u>31</u>
6900	Net operating income (loss)	<u>11,436</u>	<u>2</u>	<u>(16,543)</u>	<u>(3)</u>
	Non-operating income and expenses (Note 24)				
7100	Interest income (Note 29)	5,243	1	5,714	1
7010	Other income	128,287	19	186,511	27
7020	Other gains and losses	(19,251)	(3)	180,359	26
7050	Finance costs	(17,277)	(3)	(15,892)	(2)
7055	Expected credit impairment loss	<u>-</u>	<u>-</u>	<u>(1,889)</u>	<u>-</u>
7000	Subtotal	<u>97,002</u>	<u>14</u>	<u>354,803</u>	<u>52</u>
7900	Net profit before tax	108,438	16	338,260	49
7950	Income tax expense (Notes 4 and 25)	<u>(7,228)</u>	<u>(1)</u>	<u>10,800</u>	<u>1</u>
8000	Net income for the year	<u>115,666</u>	<u>17</u>	<u>327,460</u>	<u>48</u>

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Code		2025		2024	
		Amount	%	Amount	%
8310	Other comprehensive income Not to be reclassified to profit or loss in subsequent periods:				
8311	Remeasurements of defined benefit plans (Note 21)	(\$ 531)	-	\$ 5,474	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(40,951)	(6)	73,010	10
8349	Income tax related to items not to be reclassified (Note 25)	106	-	(1,095)	-
8300	Other comprehensive income of the current year	(41,376)	(6)	77,389	11
8500	Total comprehensive profit and loss for the current year	<u>\$ 74,290</u>	<u>11</u>	<u>\$ 404,849</u>	<u>59</u>
	Net profit (loss) attributed to				
8610	Owner of the Company	\$ 98,641	15	\$ 310,373	45
8620	Non-controlling interests	<u>17,025</u>	<u>2</u>	<u>17,087</u>	<u>3</u>
8600		<u>\$ 115,666</u>	<u>17</u>	<u>\$ 327,460</u>	<u>48</u>
	Comprehensive income attributable to				
8710	Owner of the Company	\$ 57,444	9	\$ 387,327	56
8720	Non-controlling interests	<u>16,846</u>	<u>2</u>	<u>17,522</u>	<u>3</u>
8700		<u>\$ 74,290</u>	<u>11</u>	<u>\$ 404,849</u>	<u>59</u>
	Earnings per share (Note 26)				
9710	Basic	<u>\$ 0.52</u>		<u>\$ 1.64</u>	
9810	Diluted	<u>\$ 0.52</u>		<u>\$ 1.64</u>	

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

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

Unit: NTS thousand

		Equity attributed to owners of the Company (Notes 8 and 22)								
Code		Share capital	Capital reserve	Retained earnings			Other equity	Total number of owners of the Company	Non-controlling interests (Note 22)	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	\$ 237,945	\$ 3,239,025
	Appropriations and distributions of 2023 earnings									
B1	Contribution to legal reserve	-	-	47,924	(47,924)	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	(434,705)	(434,705)	-	(434,705)	-	(434,705)
		-	-	47,924	(482,629)	(434,705)	-	(434,705)	-	(434,705)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	62	-	-	-	-	62	-	62
D1	Net of 2024	-	-	-	310,373	310,373	-	310,373	17,087	327,460
D3	Other comprehensive income after tax of 2024	-	-	-	2,971	2,971	73,983	76,954	435	77,389
D5	Total comprehensive profit and loss of 2024	-	-	-	313,344	313,344	73,983	387,327	17,522	404,849
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	20,032	-	-	-	(6,582)	13,450	(13,450)	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(27,362)	(27,362)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(9,013)	(9,013)
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	205,642	3,172,856
	Appropriations and distributions of 2024 earnings									
B1	Contribution to legal reserve	-	-	34,407	(34,407)	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	(309,964)	(309,964)	-	(309,964)	-	(309,964)
		-	-	34,407	(344,371)	(309,964)	-	(309,964)	-	(309,964)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(34)	-	-	-	-	(34)	-	(34)
D1	Net of 2025	-	-	-	98,641	98,641	-	98,641	17,025	115,666
D3	Other comprehensive income after tax for 2025	-	-	-	(183)	(183)	(41,014)	(41,197)	(179)	(41,376)
D5	Total comprehensive income for 2025	-	-	-	98,458	98,458	(41,014)	57,444	16,846	74,290
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	312	-	-	-	(160)	152	(152)	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(950)	(950)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(25,920)	(25,920)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	169,261	169,261	(169,261)	-	-	-
T1	Capital reduction and return of capital by subsidiaries	-	-	-	-	-	-	-	(11,381)	(11,381)
Z1	Balance as of December 31, 2025	\$ 1,890,023	\$ 41,258	\$ 392,028	\$ 417,156	\$ 809,184	(\$ 25,653)	\$ 2,714,812	\$ 184,085	\$ 2,898,897

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd. and subsidiaries
Consolidated 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	\$ 108,438	\$ 338,260
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	45,591	42,500
A20200	Amortization expenses	25,499	23,787
A20300	Expected credit impairment loss	-	974
A20400	Net loss (gain) on financial assets at fair value through profit or loss	22,533	(180,949)
A20900	Finance costs	17,277	15,892
A21200	Interest income	(5,243)	(5,714)
A21300	Dividend income	(91,747)	(63,114)
A22500	Net gains from the disposal and scrap of property, plant, and equipment	(3,345)	(1,303)
A22800	Loss of disposal of intangible assets	57	1,340
A23700	Inventory scrapping loss	84	-
A23800	Gains on inventory devaluation and obsolescence recovery	(35)	-
A29900	Other items	1,380	71,508
	Net change in operating assets and liabilities		
A31130	Notes receivable	22,115	(22,232)
A31140	Notes receivable - related parties	11,471	(1,991)
A31150	Accounts receivables	3,431	7,477
A31160	Accounts receivable - related parties	11,734	(2,284)
A31180	Other receivables	(140)	(893)
A31200	Inventory	(390,571)	(181,617)
A31230	Prepayments	(571)	(3,528)
A31240	Other current assets	(1,762)	(13,394)
A32125	Contract liabilities	29,381	31,139
A32130	Notes payable	(6,151)	233
A32140	Notes payable - related parties	1,360	(747)
A32150	Accounts payable	(16,474)	12,972
A32160	Accounts payable - related parties	747	157
A32180	Other payables	(6,687)	12,452
A32190	Other payables - related parties	-	(467)
A32230	Other current liabilities	2,681	(960)
A32240	Net confirmed benefit debt	<u>321</u>	<u>476</u>
A33000	Cash flow from operations	(218,626)	79,974
A33300	Interest paid	(8,493)	(7,595)
A33500	Income tax paid	(<u>458</u>)	(<u>1,551</u>)
AAAA	Net cash inflow (outflow) from operating activities	(<u>227,577</u>)	<u>70,828</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	246,251	164,214
B00050	Disposal of financial assets measured at amortized cost	-	300
B00100	Acquisition of financial assets at fair value through profit or loss	(1,838,530)	(1,781,353)
B00200	Disposal of financial assets at fair value through profit or loss	1,714,131	2,170,996
B02700	Acquisition of property, plant and equipment	(17,871)	(13,437)
B02800	Disposal of property, plant and equipment prices	3,899	1,416
B03700	Increase in refundable deposits	(1,129)	-
B03800	Decrease in refundable deposits	-	80,424
B04500	Acquisition of intangible assets	(14,976)	(19,917)
B06500	Increase in their financial assets	(23,011)	-
B06600	Decrease in other financial assets	-	209
B06700	Increase of other non-current assets	(9,766)	(3,174)
B07500	Interest received	4,833	5,691
B07600	Dividends received	90,442	63,074
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>129,306</u>	<u>585,073</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(20,000)	(90,000)
C01600	Increase in long-term loans	58,341	282,177
C01700	Decrease in long-term loans	(150,484)	(41,921)
C03000	Increase in guarantee deposits	200	82
C04020	Lease liability principal repayments	(34,991)	(27,241)
C04500	Cash dividends paid	(309,964)	(434,705)
C05400	Acquisition of equity in subsidiaries	(950)	(27,362)
C05800	Changes in non-controlling interests	(<u>37,301</u>)	(<u>9,013</u>)
CCCC	Net cash used in financing activities	(<u>495,149</u>)	(<u>347,983</u>)
EEEE	Net (decrease) increase in cash for the period	(593,420)	307,918
E00100	Cash balance at the beginning of the period	<u>1,043,765</u>	<u>735,847</u>
E00200	Cash balance at the end of the period	<u>\$ 450,345</u>	<u>\$ 1,043,765</u>

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Zong-Yu Wu

Tze Shin International Co., Ltd. and subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Unless otherwise specified, the amount is in thousands of NTD)

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 consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

II. Date and procedures for passing the financial report

These consolidated 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.

The application of the revised IFRSs approved and issued to effect by the FSC will not result in significant changes in the accounting policies of the Consolidated Company.

- (II) 2025 IFRSs endorsed by the FSC

New/amended/revised standards and interpretations	Effective date issued by the International Accounting Standards Board (IASB)
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
Effective date issued by the International Accounting Standards Board	January 1, 2023

1. Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"

(1) Amendments to the application guidance on financial asset classification

The amendments primarily revise the rules on the classification of financial assets, including:

A. If a financial asset contains a contingency that alters the timing or amount of contractual cash flows, and the nature of that contingency is not directly related to basic loan risk and cost changes (e.g., whether the debtor achieves a specific carbon emission reduction target), the asset's contractual cash flows are still considered entirely principal and interest on the outstanding principal amount when both of the following conditions are met:

- Contract cash flows generated from all possible scenarios (before and after a contingent event) are solely payments of principal and interest on the outstanding principal amount; and
- In all contractually possible scenarios the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms but without the contingent features.

B. Specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

C. Clarify the characteristics of contractually linked instruments that distinguish them from other transactions, that in such instruments a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches.

(2) Amendments to the application guidance on financial liability derecognition

The amendments mainly explain that financial liabilities should be derecognized on the settlement date. However, when an entity uses an electronic payment system to settle financial liabilities in cash, it may elect to derecognize the financial liabilities before the settlement date if the following conditions are met:

- The entity does not have the practical ability to withdraw, stop, or cancel the payment instructions.
- The entity does not have the actual ability to access the cash to be used for settlement due to the settlement instruction issued; and
- The settlement risk associated with the electronic payment system is not significant.

The consolidated company shall apply the amendments retrospectively without restating the comparative periods, and the effects of the initial application shall be recognized on the date of initial application. However, if an entity is able to restate without the use of hindsight, it may elect to restate comparative periods.

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

Contracts involving reliance on natural electricity sources are those where power generation depends on uncontrollable natural factors, exposing one party to the risk of uncertain actual power generation. This includes contracts for the purchase or sale of electricity generated from natural sources, or financial instruments related to such power. The amendment stipulates that if the Consolidated Company enters into a contract referencing nature-dependent electricity and faces the risk of procuring more electricity than needed at a given time, and the electricity market's design and operation require the Consolidated Company to sell any unused electricity within a specified timeframe, such a sale may not cause the Consolidated Company to fail to meet the condition that the contract is held to meet expected electricity demand; therefore, the contract should be treated as a financial instrument. If the Consolidated Company repurchases an equivalent amount of electricity within a reasonable time after selling it in the same market, it will still be deemed to be holding the contract for its anticipated electricity needs.

The amendment also stipulates that if the Consolidated Company enters into a contract referencing nature-dependent electricity and designates it as a hedging instrument for an anticipated transaction, it may designate a corresponding expected power transaction with the same quantity variation as the hedged item, consistent with the aforementioned contract.

The Consolidated Company shall apply the amendments retrospectively to determine whether contracts referencing nature-dependent electricity meet the conditions for holding the contract based on anticipated electricity consumption needs, without restating comparative periods, and recognize the cumulative effect of the initial application as of the date of initial application. The provisions related to hedge accounting shall be deferred.

As of the publication date of the consolidated financial statements, the Consolidated Company has assessed that amendments to the other standards and interpretations will not have a significant impact on the Consolidated 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" (including amendments in 2025)	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 Consolidated 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 Consolidated Company loses control over any of the subsidiaries that meets the aforesaid definition and maintains significant influence (or joint control) over the subsidiary, the Consolidated Company recognizes all the profits or losses generated from such transactions.

However, if the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Company only labels such items as "other" when no informative label can be found.

- Increasing the disclosure of the performance measurement defined by management: When the Consolidated Company has open communication outside the financial statements, and when management's view of the Consolidated 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 consolidated financial statements, the Consolidated 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

(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 consolidated 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.

(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 portion of the Consolidated Company that is engaged in construction projects, and 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) Basis of consolidation

The consolidated financial statements contain the financial statements of the Company and the entities controlled by the Company (subsidiaries). The operating profit and loss of the subsidiaries acquired or disposed of in the current period has been included in the consolidated statement of comprehensive income from the date of acquisition or until the date of disposal. Adjustments have been made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Consolidated Company. All intra-group transactions, balances, income, and expenses are eliminated in full in the consolidated financial statements. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if the non-controlling interests become a deficit.

When the Consolidated Company's ownership interest in a subsidiary does not result in the loss of control, it is treated as an equity transaction. The carrying amounts of the

Consolidated Company and non-controlling interests have been adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjustment amount of the non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

Please refer to Note 12 "Subsidiaries" and Table 4 for details of subsidiaries, ownership percentage and business items.

(V) Foreign currency

When preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (foreign currency) are converted into the functional currency at the exchange rate on the transaction date.

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.

(VI) Inventory

Inventories include buildings and land held for sale, properties under development, land for future development, materials, food and beverages, and merchandise. 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.

(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 Consolidated Company reviews the estimated useful life, residual value, and depreciation methods at least at the end of each year, and applies the effects of changes in accounting estimates prospectively.

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 on a straight-line basis over the useful lives. The Consolidated 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 in a deferred manner. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Service concession agreement

The intangible assets model under IFRS Interpretation No. 12 "Service Concession Agreement" that the Consolidated Company signed with the Tourism Bureau, Ministry of Transportation and Communications under the "Development and Operation Agreement for the Promotion of Private Participation in the Construction of Affordable Hotels in Taipei" shall be applied; The cost directly related to the concession is measured at the cost less accumulated amortization and accumulated impairment loss. The concession is mainly the operation royalties, which can be used to engage in the following development and management businesses on the site: investment, design, construction, operation and management, and maintenance of the site and its ground features and ancillary facilities and equipment; Landscape design, construction, and maintenance of above-ground features. The intangible assets are amortized on a straight-line basis during the operating period.

3. Derecognition

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

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

The Consolidated Company assesses whether there are any signs of possible impairment in property, plant and equipment, right-of-use assets, investment property, and intangible assets 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 Consolidated 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 or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed the cost of the asset, cash-generating unit or contract. The book value (less amortization or depreciation) determined when the impairment loss was recognized in prior 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, regardless of whether a non-controlling interest is retained in the former subsidiary following the sale.

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 consolidated balance sheet when the Consolidated 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

Financial assets held by the Consolidated Company are 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 the Consolidated Company has not designated to measure at FVTOCI, and liabilities that are not classified as measured at amortized cost or at FVTOCI Instrument investment.

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 financial assets invested by the Consolidated Company meet both of the following conditions, they are 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 Consolidated Company may, at the time of initial 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 with contingent consideration at the fair value through other comprehensive income.

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 Consolidated Company's right to receive dividends is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

The Consolidated 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 Consolidated Company, without considering the collateral held, determines that the following situations represent defaults in the 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 Consolidated 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 the risk and return 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 Consolidated Company are classified as equities according to the essence of contractual agreements and the definition of equity instruments.

The equity instruments issued by the Consolidated Company are recognized at the purchase price net of the direct issuance cost.

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) Provision for liabilities

The amount recognized as reserve takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. The reserve for liabilities is measured by the estimated cash flow discount value to settle the obligation.

When it is expected that part or all of the expenses required to settle the liability reserve may be received from another party, and the such refund is almost certain to be received and the amount can be measured reliably, the advance is recognized as an asset.

Warranty

The warranty obligation to ensure that the product conforms to the agreed specifications is based on the management's best estimate of the expenditure required to settle the Consolidated Company's obligation and is recognized when the related product is recognized as income.

(XIV) Revenue Recognition

After the Consolidated 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. Hotel revenue and hospitality revenue

Hotel revenue is recognized as income during the financial reporting period when the service is provided to the customer, and the transaction price is collected from the customer according to the payment schedule agreed upon. Hospitality revenue is recognized when the product is sold to the customer, and the transaction price is collected from the customer after the customer's meal.

3. 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.

4. 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.

(XV) Lease

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

1. The Consolidated 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 Consolidated 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 on a separate line in the consolidated 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 Consolidated 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 on a separate line in the consolidated balance sheets.

(XVI) 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 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.

(XVII) Government subsidies

Government grants are recognized only when there is reasonable assurance that the Consolidated Company will comply with the conditions attached to the government grants and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Consolidated Company recognizes as expenses the relevant costs for which the grants are intended to compensate.

If the government grant is used to compensate the expenses or losses incurred, or is given to the Consolidated Company for the purpose of immediate financial support and there is no relevant future cost, it is recognized in profit or loss in the period in which it can be received.

(XVIII) Employee welfare

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 net defined benefit liabilities (assets) 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.

Net defined benefit liabilities (assets) represent the appropriation deficit (surplus) of 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.

(XIX) Income tax

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

1. Current income tax

The Consolidated 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.

Deferred income tax liabilities are recognized for the taxable temporary difference related to the investment in subsidiaries and associates. However, if the Consolidated Company can control the timing of the temporary difference reversal and it is very likely that the temporary difference will not be reversed in the foreseeable future Except those that are capable of turning. 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 period in which the liabilities are expected to be settled or 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 Consolidated 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 Consolidated Company adopts the accounting policies, for the relevant information that is not readily available from other sources, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors. Actual results may differ from these estimates.

When the Consolidated 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	\$ 1,915	\$ 1,364
Checks and demand deposits at banks	<u>448,430</u>	<u>1,042,401</u>
	<u>\$ 450,345</u>	<u>\$ 1,043,765</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	\$ 1,082,280	\$ 1,056,567
- Fund beneficiary certificate	<u>-</u>	<u>31,468</u>
	<u>\$ 1,082,280</u>	<u>\$ 1,088,035</u>

Please refer to Note 30 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>\$ 110,480</u>
<u>Non-current</u>		
Domestic investment		
Unlisted (non-OTC Listed) stock	\$ -	\$ 258,336
Foreign investment		
Unlisted (non-OTC Listed) stock	<u>4,892</u>	<u>4,636</u>
	<u>\$ 4,892</u>	<u>\$ 262,972</u>

The Consolidated Company invests in the ordinary shares of the above-mentioned domestic and foreign listed (TWSE) and unlisted (OTC Listed) companies based on medium and long-term strategic purposes and expects to make profits through long-term investments. The management of the Consolidated Company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

In 2025, the Consolidated 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 Consolidated 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 Consolidated Company adjusted its investment portfolio to diversify risk by selling ordinary shares of China Petrochemical Development Corporation, Megaful Co., Ltd., IBF Financial Holdings Co., Ltd., and Yuan Chuan Steel Co., Ltd. for NT\$246,251 thousand. Unrealized gains of NT\$169,261 thousand on other related equity interests - financial assets measured at fair value through other comprehensive income - were transferred to retained earnings.

In 2024, the Consolidated Company adjusted its investment position to diversify risks, and sold some common shares of IBF Financial Holdings Co., Ltd. and China Petrochemical Development Corporation at fair values of NT\$160,304 thousand and 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\$30,726 thousand were transferred to retained earnings.

Please refer to Note 30 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>23,350</u>	\$ <u>23,350</u>

As of December 31, 2025 and 2024, the annual interest rate of the time deposits with the original maturity date of more than 3 months was 0.012%~1.565% and 0.012%~1.690%, respectively.

For information on pledged financial assets measured at amortized cost, please refer to Note 30.

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>11,769</u>	\$ <u>33,884</u>
Notes receivable - related parties	\$ <u>19,870</u>	\$ <u>31,341</u>
Accounts receivables	\$ <u>35,963</u>	\$ <u>39,394</u>
Accounts receivable - related parties	\$ <u>23,553</u>	\$ <u>35,287</u>
Other receivables	\$ <u>27,445</u>	\$ <u>4,498</u>

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

The Consolidated 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 merged company's average credit period to customers is 60 to 90 days, and no interest is accrued on accounts receivable. When determining the recoverability of accounts receivable, the merged company considers the time from the original credit date to when the accounts receivable is presented in the balance sheet Changes in credit quality during the current period.

The merged company adopts the allowance for loss of notes receivable, accounts receivable, and other receivables 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. As the Consolidated Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the reserve matrix has not further divided the customer groups, but only uses the overdue days of notes receivable, accounts receivable, and other receivables overdue to set the ECL rate.

If there is evidence that the counterparty is facing serious financial difficulties and the Consolidated Company cannot reasonably expect to recover the amount, such as the counterparty is in liquidation, the Consolidated Company directly writes off the relevant accounts receivable, but will continue to pursue recovery activities, and the amount recovered from the recovery activities is recognized in profit or loss.

The Consolidated Company measures the loss allowance for notes receivable, accounts receivable and other receivables based on the reserve matrix 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	\$ 118,600	\$ -	\$ -	\$ -	\$ -	\$ 118,600
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	<u>\$ 118,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,600</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	\$ 144,404	\$ -	\$ -	\$ -	\$ -	\$ 144,404
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	<u>\$ 144,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,404</u>

Information on changes in loss allowances 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
Others	<u>5,795</u>	<u>7,198</u>
	<u>\$ 773,678</u>	<u>\$ 383,156</u>

Buildings and land for sale

<u>Project name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tze Shin Yuanfang 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 Consolidated 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 Yuanfang 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 Consolidated 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\$73,904 thousand and NT\$65,883 thousand, respectively.

The cost of sales for 2025 and 2024 included the loss on inventory obsolescence NT\$84 thousand and NT\$0 thousand, respectively; gains on the recovery of net realizable value of inventory were NT\$35 thousand and NT\$0, respectively.

Please refer to Note 30 for the amount of buildings under construction and land pledged for borrowings.

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements:

The entities preparing the consolidated financial statements are as follows:

Name of the investors	Name of subsidiaries	Main Business Activity	Percentage of shareholding		Explanation
			December 31, 2025	December 31, 2024	
The Company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	73.03%	72.77%	1.2.
	Miramar Resort Co., Ltd. (Miramar Resort)	Management of hotels and water recreation activities	66.18%	66.18%	3.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses	47.47%	47.47%	4.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	3.

Remarks:

- 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%, and the "Capital reserve - difference between the price and book value of the subsidiary's equity acquired or disposed" was recognized for NT\$312 thousand. 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%, and the "Capital reserve - difference between the price and book value of the subsidiary's equity acquired or disposed" was recognized for NT\$20,032 thousand.
- It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
- The Company directly and indirectly holds 79.51% of the shares of Miramar Resort Co., Ltd., so it has the ability to control, so it is included in the consolidated financial statements as an entity.
- As the legal representative of our company occupies more than half of the director seats in Hsin Hai Transportation, we have control over the company and therefore include it as a subsidiary in our consolidated financial statements.

(II) Subsidiaries with significant non-controlling equity

Name of subsidiaries	Principal place of business	Percentage of shareholding and voting rights held by non-controlling interests	
		December 31, 2025	December 31, 2024
Miramar Hospitality Co., Ltd.	Taipei City	26.97%	27.23%

Name of subsidiaries	Profit or loss allocated to non-controlling equity		Non-controlling interests	
	2025	2024	December 31, 2025	December 31, 2024
Miramar Hospitality Co., Ltd.	\$ 11,490	\$ 13,740	\$ 117,902	\$ 117,087
Others	5,535	3,347	66,183	88,555
Total	\$ 17,025	\$ 17,087	\$ 184,085	\$ 205,642

The summarized financial information of the subsidiaries below is based on the amounts before elimination of intercompany transactions:

Miramar Hospitality Co., Ltd.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 105,528	\$ 120,187
Non-current assets	972,294	1,002,331
Current liabilities	(165,611)	(187,391)
Non-current liabilities	(475,091)	(505,095)
Equity	<u>\$ 437,120</u>	<u>\$ 430,032</u>
Equity attributable to:		
Owner of the Company	\$ 319,218	\$ 312,945
Non-controlling interests of Miramar Hospitality Co., Ltd.	<u>117,902</u>	<u>117,087</u>
	<u>\$ 437,120</u>	<u>\$ 430,032</u>
	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 357,733</u>	<u>\$ 331,936</u>
Net income for the year	\$ 42,584	\$ 41,789
Other comprehensive income	<u>230</u>	(<u>3,022</u>)
Total comprehensive income	<u>\$ 42,814</u>	<u>\$ 38,767</u>
Net income attributable to:		
Owner of the Company	\$ 31,094	\$ 28,050
Non-controlling interests of Miramar Hospitality Co., Ltd.	<u>11,490</u>	<u>13,739</u>
	<u>\$ 42,584</u>	<u>\$ 41,789</u>
Comprehensive income attributable to:		
Owner of the Company	\$ 31,262	\$ 26,002
Non-controlling interests of Miramar Hospitality Co., Ltd.	<u>11,552</u>	<u>12,765</u>
	<u>\$ 42,814</u>	<u>\$ 38,767</u>
Cash flow		
Business activities	\$ 109,435	\$ 115,477
Investment activities	(7,097)	24,983
Financing activities	(96,176)	(153,423)
Net cash inflow	<u>\$ 6,162</u>	<u>(\$ 12,963)</u>

(III) Non-controlling interests

The Company acquired equity in Miramar Hospitality Co., Ltd. in January and February 2025, increasing its shareholding in the company.

XIII. Property, plant and equipment

	<u>Land</u>	<u>Building</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Restaurant and hotel equipment</u>	<u>Total</u>
<u>Cost</u>						
Balance as of January 1, 2025	\$ 156,144	\$ 30,509	\$ 181,411	\$ 30,079	\$ 65,492	\$ 463,635
Increase	-	-	520	14,351	3,000	17,871
Disposition	-	-	(16,496)	(4,982)	(1,422)	(22,900)
Reclassified as held for sale (Note 17)	(59,881)	(27,065)	-	-	-	(86,946)
Balance as of December 31, 2025	<u>\$ 96,263</u>	<u>\$ 3,444</u>	<u>\$ 165,435</u>	<u>\$ 39,448</u>	<u>\$ 67,070</u>	<u>\$ 371,660</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2025	\$ -	\$ 21,018	\$ 145,495	\$ 24,119	\$ 52,664	\$ 243,296
Depreciation	-	351	12,626	2,426	2,286	17,689
Disposition	-	-	(16,156)	(4,869)	(1,321)	(22,346)
Reclassified as held for sale (Note 17)	-	(17,925)	-	-	-	(17,925)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 3,444</u>	<u>\$ 141,965</u>	<u>\$ 21,676</u>	<u>\$ 53,629</u>	<u>\$ 220,714</u>
Net amount as of December 31, 2025	<u>\$ 96,263</u>	<u>\$ -</u>	<u>\$ 23,470</u>	<u>\$ 17,772</u>	<u>\$ 13,441</u>	<u>\$ 150,946</u>
<u>Cost</u>						
Balance as of January 1, 2024	\$ 156,144	\$ 30,509	\$ 188,152	\$ 29,267	\$ 64,722	\$ 468,794
Increase	-	-	9,652	1,675	2,110	13,437
Disposition	-	-	(16,393)	(863)	(1,340)	(18,596)
Balance on December 31, 2024	<u>\$ 156,144</u>	<u>\$ 30,509</u>	<u>\$ 181,411</u>	<u>\$ 30,079</u>	<u>\$ 65,492</u>	<u>\$ 463,635</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2024	\$ -	\$ 20,550	\$ 147,791	\$ 23,787	\$ 51,895	\$ 244,023
Depreciation	-	468	14,064	1,142	2,082	17,756
Disposition	-	-	(16,360)	(810)	(1,313)	(18,483)
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 21,018</u>	<u>\$ 145,495</u>	<u>\$ 24,119</u>	<u>\$ 52,664</u>	<u>\$ 243,296</u>
Net amount as of December 31, 2024	<u>\$ 156,144</u>	<u>\$ 9,491</u>	<u>\$ 35,916</u>	<u>\$ 5,960</u>	<u>\$ 12,828</u>	<u>\$ 220,339</u>

Depreciation expenses are calculated on a straight-line basis over their estimated useful lives, as shown in the following:

Buildings	3 to 55 years
Transportation equipment	2 to 8 years
Office equipment	3 to 9 years
Restaurant and hotel equipment	1 to 10 years

Please refer to Note 30 for the amount of property, plant and equipment pledged by the Consolidated Company as collateral for borrowings.

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		
Land	\$ 473,959	\$ 479,986
Buildings	46,942	1,279
Office equipment	<u>1,464</u>	<u>1,838</u>
	<u>\$ 522,365</u>	<u>\$ 483,103</u>
	<u>2025</u>	<u>2024</u>
Increase in right-of-use assets	<u>\$ 67,164</u>	<u>\$ 1,869</u>
Depreciation expense of right-of-use assets		
Land	\$ 24,077	\$ 24,457
Buildings	3,451	256
Office equipment	<u>374</u>	<u>31</u>
	<u>\$ 27,902</u>	<u>\$ 24,744</u>

Except for the recalculation of right-of-use assets and lease liabilities amounting to NT\$15,229 thousand in 2024 due to variable rent adjustments, no significant subleases or impairment of the Consolidated Company's right-of-use assets occurred during 2025 and 2024.

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of lease liabilities		
Liquidity	<u>\$ 26,035</u>	<u>\$ 15,631</u>
Non-current	<u>\$ 519,126</u>	<u>\$ 489,997</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	1.76%~2.63%	1.76%
Buildings	1.70%~2.63%	1.70%
Office equipment	2.63%	2.63%

(III) Significant lease activities and terms and conditions

The Consolidated Company rents certain lands and buildings for office use with lease terms of 1 to 50 years. The Consolidated Company does not have preferential rights to acquire the land and buildings leased at the end of the lease term.

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

On March 11, 2004, Miramar Hospitality Co., Ltd. leased 3,810 square meters of land from the Tourism Bureau, Ministry of Transportation and Communications. The rental was calculated and charged at 5% per annum based on the land price announced for the current period as stated in the contract according to the "Operation Directions for Establishment of Superficies on National Non-public Use Land." The aforementioned rent shall be adjusted when the land price adjustment is announced. However, if the difference between the land price increase announced in the future and the land price increase estimated in the financial plan of the investment implementation plan is too large, one may refer to the newly added Paragraph 3 of Article 2 of "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects" dated May 7, 2020, which stipulates that "During the construction and operation of public construction, if the reported land price of the required land for the year and the land price estimated in the original financial plan increase by more than 50%, the sponsoring authority may reduce the payable rent at its discretion." A separate version was drafted in consultation with the State-owned Property Bureau, Ministry of Finance. The duration of the surface right is 50 years from the date of development and operation.

(IV) Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	\$ <u>1,316</u>	\$ <u>1,253</u>
Lease expenses of low-value assets	\$ <u>726</u>	\$ <u>643</u>
Total cash (outflow) of leases	(\$ <u>37,033</u>)	(\$ <u>29,137</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 Consolidated 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 Consolidated 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. Intangible assets

	<u>Computer software</u>	<u>Operating concession</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2025	\$ 1,870	\$ 963,707	\$ 965,577
Acquired separately	2,187	12,789	14,976
Disposition	<u>-</u>	<u>(238)</u>	<u>(238)</u>
Balance as of December 31, 2025	<u>\$ 4,057</u>	<u>\$ 976,258</u>	<u>\$ 980,315</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2025	\$ 1,640	\$ 468,149	\$ 469,789
Amortization expenses	167	25,332	25,499
Disposition	<u>-</u>	<u>(181)</u>	<u>(181)</u>
Balance as of December 31, 2025	<u>\$ 1,807</u>	<u>\$ 493,300</u>	<u>\$ 495,107</u>
Net amount as of December 31, 2025	<u>\$ 2,250</u>	<u>\$ 482,958</u>	<u>\$ 485,208</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 1,719	\$ 988,924	\$ 990,643
Acquired separately	151	19,766	19,917
Disposition	<u>-</u>	<u>(44,983)</u>	<u>(44,983)</u>
Balance on December 31, 2024	<u>\$ 1,870</u>	<u>\$ 963,707</u>	<u>\$ 965,577</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2024	\$ 1,585	\$ 488,060	\$ 489,645
Amortization expenses	55	23,732	23,787
Disposition	<u>-</u>	<u>(43,643)</u>	<u>(43,643)</u>
Balance on December 31, 2024	<u>\$ 1,640</u>	<u>\$ 468,149</u>	<u>\$ 469,789</u>
Net amount as of December 31, 2024	<u>\$ 230</u>	<u>\$ 495,558</u>	<u>\$ 495,788</u>

Amortization expenses are accrued on a straight-line basis over the following useful years:

Computer software	3 to 5 years
Operating concession	2 to 48 years

The cost and cumulative amortization of the abovementioned operating royalty on December 31, 2025 in the amount of NT\$482,958 thousand were NT\$976,258 thousand and NT\$493,300 thousand, respectively. The cost includes the royalty of NT\$27,000 thousand and the planning fee of NT\$2,390 thousand that was paid for signing the "Development and Operation Agreement for Private Participation in the Construction of Affordable Hotels in Taipei" with the Tourism Bureau of Ministry of Transportation and Miramar Hospitality Co., Ltd. Also, the construction cost was NT\$946,868 thousand.

Please refer to Note 30 for the amount of intangible assets pledged for borrowings.

XVII. 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>

In June 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 30 for the amount of non-current assets held for sale pledged as collateral for borrowings.

XVIII. Other financial assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets - current	<u>\$ 33,146</u>	<u>\$ 7,093</u>
Other financial assets - non-current	<u>\$ -</u>	<u>\$ 3,042</u>

These are restricted assets, including bank deposit trust accounts and reserve accounts. Please refer to Note 30 for information on related pledges.

XIX. Borrowings

(I) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 30)		
Bank mortgage	<u>\$ 60,000</u>	<u>\$ 80,000</u>
Bank loan interest rate range	2.250%	2.100%~2.520%

Please refer to Note 30 for information about the collateral for secured borrowings.

(II) Long-term borrowings		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 30)		
Bank mortgage	\$ 221,562	\$ 313,705
<u>Unsecured borrowings</u>		
Borrowings against credit lines	<u>6,667</u>	<u>6,667</u>
	228,229	320,372
Less: Portion due within one year	(<u>15,213</u>)	(<u>17,299</u>)
Long-term borrowings	<u>\$ 213,016</u>	<u>\$ 303,073</u>
Repayment maturity date of secured borrowings	2027.4.29 - 2029.8.1	2027.4.29 - 2029.8.1
Repayment maturity date of unsecured borrowings	2027.4.29	2026.9.3
Secured borrowing interest rate	2.220% ~ 2.450%	2.220% ~ 3.500%
Unsecured borrowing interest rate	2.720%	2.720%

Please refer to Note 30 for information on collateral pledged for loans.

XX. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payroll payable	\$ 29,749	\$ 38,870
Premium payable	25,965	26,555
Remuneration payable to employees	2,570	7,117
Remuneration payable to directors	1,820	5,507
Stock settlement payable	10,465	95,744
Others	<u>35,459</u>	<u>25,293</u>
	<u>\$ 106,028</u>	<u>\$ 199,086</u>

XXI. Post-employment benefit plan

(I) Defined contribution plan

The pension system under the "Labor Pension Act" applicable to the Consolidated Company is a government-managed defined contribution pension plan. Under the pension plan, 6% of employees' monthly salary is contributed to the personal accounts of the Bureau of Labor Insurance.

(II) Defined benefit plan

According to the "Labor Standards Act" of R.O.C., the Company and Hsin Hai Transportation & Terminal Co., Ltd. of the Consolidated Company have the 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. These companies appropriate 3.8%~7% of employees' monthly salary as pension fund, which is then deposited into a special account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. For employees who are expected to retire in

the following year, the difference will be allocated in a lump sum before the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, Ministry of Labor. The Consolidated Company has no right to influence the investment management strategy.

The amounts included in the defined benefit plan in the consolidated balance sheets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Defined benefit obligation	\$ 49,278	\$ 49,347
Fair value of plan assets	(<u>50,360</u>)	(<u>51,281</u>)
Net defined benefit (asset) liabilities	(<u>\$ 1,082</u>)	(<u>\$ 1,934</u>)

As of December 31, 2025, the Consolidated Company's net defined benefit liabilities were listed in the consolidated balance sheet under net defined benefit assets of NT\$5,079 thousand and net defined benefit liabilities of NT\$3,997 thousand.

As of December 31, 2024, the Consolidated Company's net defined benefit liabilities were listed in the consolidated balance sheet under net defined benefit assets of NT\$5,718 thousand and net defined benefit liabilities of NT\$3,784 thousand.

Changes in net defined benefit liabilities (assets) 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>\$ 49,347</u>	(<u>\$ 51,281</u>)	(<u>\$ 1,934</u>)
Current period service costs	646	-	646
Interest expense (income)	<u>529</u>	(<u>620</u>)	(<u>91</u>)
Recognized in remeasurement of profit and loss	<u>1,175</u>	(<u>620</u>)	<u>555</u>
Return on plan assets (except for the amount included in net interest)	-	(2,730)	(2,730)
Actuarial gains or losses			
- Changes in financial assumptions	541	-	541
- Experience-based adjustments	<u>2,720</u>	<u>-</u>	<u>2,720</u>
Deferred tax income (expense) recognized in other comprehensive income	<u>3,261</u>	(<u>2,730</u>)	<u>531</u>
Contributions by employer	<u>-</u>	(<u>234</u>)	(<u>234</u>)
Plan asset payment	(<u>4,505</u>)	<u>4,505</u>	<u>-</u>
Balance as of December 31, 2025	<u>\$ 49,278</u>	(<u>\$ 50,360</u>)	(<u>\$ 1,082</u>)

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	Defined benefit obligation	Fair value of plan assets	Net confirmed benefit debt
Balance as of January 1, 2024	\$ 51,787	(\$ 48,723)	\$ 3,064
Current period service costs	786	-	786
Interest expense (income)	475	(483)	(8)
Recognized in remeasurement of profit and loss	1,261	(483)	778
Return on plan assets (except for the amount included in net interest)	-	(3,354)	(3,354)
Actuarial gains or losses			
- Changes in financial assumptions	(787)	-	(787)
- Experience-based adjustments	(1,333)	-	(1,333)
Deferred tax income (expense) recognized in other comprehensive income	(2,120)	(3,354)	(5,474)
Contributions by employer	-	(302)	(302)
Plan asset payment	(1,581)	1,581	-
Balance on December 31, 2024	\$ 49,347	(\$ 51,281)	(\$ 1,934)

Due to the pension system under the Labor Standards Act, the Consolidated 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 Consolidated Company's 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 value of the present value of the defined benefit obligation of the Consolidated Company was carried out by qualified actuaries. The significant assumptions made on the measurement date are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.3000% ~ 1.31%	1.52% ~ 1.6000%
Expected rate of increase in salary	1.875% ~ 2.00%	1.8750% ~ 2.00%
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>516</u>)	(\$ <u>588</u>)
Decrease by 0.25%	\$ <u>550</u>	\$ <u>594</u>
Expected rate of increase in salary		
Increase by 0.25%	\$ <u>703</u>	\$ <u>816</u>
Decrease by 0.25%	(\$ <u>698</u>)	(\$ <u>811</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>232</u>	\$ <u>304</u>
Average duration of defined benefit obligations	3.1 - 4 years	3.8 - 5 years

XXII. 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

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<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>

1. 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.
2. 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

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. 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. However, when earnings are paid in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors attending the meeting and at least two-thirds of the directors are present voting to approve the resolution, and the matter shall be reported to the shareholders' meeting. Please refer to Note 24(6) for the policy on the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

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, respectively, 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	\$ 2.30

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.

(IV) Non-controlling interests

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ 205,642	\$ 237,945
Net income for the year	17,025	17,087
Other comprehensive income of the current year		
Unrealized gains and losses measured at fair value through other comprehensive income	63	(973)
Re-measurement of defined benefit plan	(242)	1,408
Difference between the price and book value of the subsidiary's equity acquired or disposed	(152)	(13,450)
Changes in ownership interests of subsidiaries	(950)	(27,362)
Cash dividend distributed by subsidiaries	(25,920)	(9,013)
Cash capital reduction	(11,381)	-
Year-end balance	<u>\$ 184,085</u>	<u>\$ 205,642</u>

XXIII. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Transportation revenue	\$ 302,509	\$ 344,379
Hospitality revenue	357,609	331,720
Rental income	11,994	11,587
Other income	-	(548)
	<u>\$ 672,112</u>	<u>\$ 687,138</u>

Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Total notes and accounts receivable			
(Notes 10 and 29)	\$ 91,155	\$ 139,906	\$ 191,590
Contract liabilities - current			
Real estate sales	\$ 60,520	\$ 31,139	\$ -

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.

For the breakdown of revenue from contracts with customers, please refer to Note 33.

XXIV. Net profit

(I) Other income

	2025	2024
Dividend income	\$ 91,747	\$ 63,114
Liquidated damage income (Note 10)	-	80,000
Compensation income (Note 10)	-	24,620
Rental income	8,602	7,739
Subsidies income	3,458	4,048
Others	24,480	6,990
	<u>\$ 128,287</u>	<u>\$ 186,511</u>

(II) Finance costs

	2025	2024
Interest on lease liabilities	\$ 9,910	\$ 9,128
Interest on bank borrowings	7,361	6,757
Imputed interest on deposits	6	7
	<u>\$ 17,277</u>	<u>\$ 15,892</u>

Information on capitalization of interest is as follows:

	2025	2024
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 loss (gain) on financial assets at fair value through profit or loss	(\$ 22,533)	\$ 180,949
Net gains from the disposal and scrap of property, plant, and equipment	3,345	1,303
Loss of disposal of intangible assets	(57)	(1,340)
Others	(6)	(553)
	<u>(\$ 19,251)</u>	<u>\$ 180,359</u>

(IV) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expenses by function		
Operating cost	\$ 25,200	\$ 25,783
Operating expense	<u>20,391</u>	<u>16,717</u>
	<u>\$ 45,591</u>	<u>\$ 42,500</u>
Amortization expenses are summarized by function		
Operating cost	\$ 24,336	\$ 22,762
Operating expense	<u>1,163</u>	<u>1,025</u>
	<u>\$ 25,499</u>	<u>\$ 23,787</u>

(V) Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plan	\$ 7,280	\$ 8,192
Defined benefit plan	<u>555</u>	<u>778</u>
	<u>7,835</u>	<u>8,970</u>
Other employee benefits	<u>186,411</u>	<u>209,949</u>
Total employee benefit expenses	<u>\$ 194,246</u>	<u>\$ 218,919</u>
Summary by function		
Operating cost	\$ 127,825	\$ 141,331
Operating expense	<u>66,421</u>	<u>77,588</u>
	<u>\$ 194,246</u>	<u>\$ 218,919</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

	2025	2024
Employee remuneration	1.50%	2.0%
Remuneration to directors	1.25%	1.5%

Amount

	2025		2024	
	Cash	Stock	Cash	Stock
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 the amount recognized in the 2024 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.

XXV. Income tax

(I) Income tax recognized in profit or loss

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

	2025	2024
Current income tax		
Incurred in the current year	\$ 26,501	\$ 1,637
Adjustment from previous year	(20)	(21)
	<u>26,481</u>	<u>1,616</u>
Deferred income tax		
Incurred in the current year	(33,709)	9,184
Income tax (gain) expenses recognized in profit or loss	(\$ 7,228)	\$ 10,800

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

	<u>2025</u>	<u>2024</u>
Net profit before tax	\$ <u>108,438</u>	\$ <u>338,260</u>
Income tax expense on net income before tax calculated at statutory tax rate	\$ 21,687	\$ 67,652
Non-deductible expenses and losses for tax purposes	292	239
Tax-exempted income	(13,800)	(53,451)
Basic tax difference payable	23,996	-
Income tax expenses of previous years are adjusted in the current year	(20)	(21)
Unrecognized deductible temporary differences and loss carryforwards	(<u>39,383</u>)	(<u>3,619</u>)
Income tax (gain) expenses recognized in profit or loss	(<u>\$ 7,228</u>)	\$ <u>10,800</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>106</u>	(<u>\$ 1,095</u>)
(III) Income tax assets and liabilities for the current year		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Income tax assets for the current year		
Tax refund receivable (included in other current assets)	\$ <u>466</u>	\$ <u>1,939</u>
Current income tax liabilities		
Income tax payable	\$ <u>24,957</u>	\$ <u>407</u>

(IV) Deferred income tax assets and liabilities

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

2025

	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				
Failing to achieve the preparation for the accident-causing vehicle	\$ 1,574	\$ -	\$ -	\$ 1,574
Exceeding the pension limit	5,610	51	106	5,767
Loss deduction	<u>77,432</u>	<u>33,658</u>	<u>-</u>	<u>111,090</u>
	<u>\$ 84,616</u>	<u>\$ 33,709</u>	<u>\$ 106</u>	<u>\$ 118,431</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				
Failing to achieve the preparation for the accident-causing vehicle	\$ 2,261	(\$ 687)	\$ -	\$ 1,574
Allowance for doubtful debts	464	(464)	-	-
Exceeding the pension limit	5,978	727	(1,095)	5,610
Loss deduction	<u>86,192</u>	<u>(8,760)</u>	<u>-</u>	<u>77,432</u>
	<u>\$ 94,895</u>	<u>(\$ 9,184)</u>	<u>(\$ 1,095)</u>	<u>\$ 84,616</u>

(V) The deductible temporary difference and unused loss credit of deferred income tax assets not recognized in the consolidated balance sheet

	December 31, 2025	December 31, 2024
Loss deduction		
Due 2025	\$ -	\$ 39,299
Due 2026	28,293	115,299
Due 2027	16,383	16,383
Due 2028	21,986	21,986
Due 2029	19,825	19,825
Due 2030	14,523	269,880
Due 2031	530,198	559,590
Due 2032	162	162
Due 2033	41	41
Due 2034	48	48
Due 2035	<u>11</u>	<u>-</u>
	<u>\$ 631,470</u>	<u>\$ 1,042,513</u>
Deductible temporary differences		
Impairment loss of financial assets	<u>\$ 221,601</u>	<u>\$ 230,257</u>

(VI) Information on unused loss carryforwards

As of December 31, 2025, information about loss carryforwards of the Consolidated Company is as follows:

Balance yet to be deducted		Final year of deduction
\$ 92,555	(Approved)	2026
16,383	(Approved)	2027
21,986	(Approved)	2028
19,825	(Approved)	2029
282,781	(Approved)	2030
747,642	(Approved)	2031
2,244	(Approved)	2032
3,448	(Approved)	2033
48	(not yet approved)	2034
<u>11</u>	(not yet approved)	2035
<u>\$ 1,186,923</u>		

(VII) Authorization of income tax

The profit-seeking enterprise income tax returns of the Company and its subsidiaries have been approved by the tax collection authority up to 2023.

XXVI. Earnings per share (EPS)

Unit: NT\$ per share

	2025	2024
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 net profit and the weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net income for the year

	2025	2024
Net profit attributable to owners of the Company	<u>\$ 98,641</u>	<u>\$ 310,373</u>

Number of shares

Unit: Thousand shares

	2025	2024
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>352</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>189,136</u>	<u>189,354</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.

XXVII. Capital risk management

The capital structure management strategy of the Consolidated Company is based on the characteristics of the existing industry, future growth and development blueprint, and calculates the required working capital and the size of various assets for long-term development. The Company also ensures that the Consolidated Company'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 management of the Consolidated Company 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 in order to adopt prudent risk management strategies.

XXVIII. Financial instruments

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

The merged company's management believes that the book values of financial assets and financial liabilities not measured at fair value are close to their fair values, or their fair values 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

	Level 1	Level 2	Level 3	Total
<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>				
Investment in equity instruments				
- Domestic listed (OTC Listed) stock	\$ 107,575	\$ -	\$ -	\$ 107,575
- Foreign unlisted stocks	-	4,892	-	4,892
	<u>\$ 107,575</u>	<u>\$ 4,892</u>	<u>\$ -</u>	<u>\$ 112,467</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
TWSE/TPEx-listed stocks	\$ 1,056,567	\$ -	\$ -	\$ 1,056,567
Fund beneficiary certificate	31,468	-	-	31,468
	<u>\$ 1,088,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,088,035</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed (OTC Listed) stock	\$ 110,480	\$ -	\$ -	\$ 110,480
- Domestic unlisted stocks	-	258,336	-	258,336
- Foreign unlisted stocks	-	4,636	-	4,636
	<u>\$ 110,480</u>	<u>\$ 262,972</u>	<u>\$ -</u>	<u>\$ 373,452</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 and foreign unlisted (OTC Listed) 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	\$ 1,088,035
Financial assets at amortized cost (Note 1)	627,953	1,223,037
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	112,467	373,452
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	463,242	688,961

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

Note 2: The balance includes short-term borrowings, notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term borrowings (including the portion due within one year), guarantee deposits - current (accounted for as other current liabilities, guarantee deposits - non-current and other financial liabilities measured at amortized costs.

(IV) Financial Risk Management Objectives and Policies

The consolidated company's main financial instruments include cash, investment in equity instruments, accounts receivable, accounts payable, and borrowings. The consolidated 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 mitigate related financial risks, the consolidated company has established a complete approval authority to stipulate a financial policy with clear powers and responsibilities and supervise the implementation process to reduce the potential adverse impact of market changes on the consolidated company's financial performance.

The important financial activities of the consolidated company are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the consolidated company must strictly abide by the relevant financial operating procedures for sorting out financial risk management and division of powers and responsibilities.

1. Market risk

The main financial risks borne by the Consolidated Company's operating activities are interest rate change risk (see (1) below) and other price risks (see (2) below).

There is no change in the Consolidated Company's exposure to financial instrument market risk and the way it manages and measures such exposure.

(1) Interest rate risk

Interest rate exposure risk arises because individuals within the Consolidated Company borrow funds at both fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates. The Consolidated Company

regularly evaluates hedging activities to align them with interest rate views and established risk appetites to ensure the most cost-effective hedging strategies are employed.

The carrying amount of the financial assets and financial liabilities of the Consolidated Company subject to interest rate exposure on the balance sheet date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
- Financial liabilities	\$ 545,161	\$ 505,628
Cash flow interest rate risk		
- Financial assets	503,674	1,074,756
- Financial liabilities	288,229	400,372

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 assets and 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 Group is 100 basis points for an increase or decrease in interest rate, which also represents management's assessment of the scope of reasonable and possible changes in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the Consolidated Company's net loss before tax for 2025 and 2024 would have increased/decreased by NT\$2,154 thousand and NT\$6,744 thousand, mainly due to the variable interest rate deposits of the Consolidated Company and variable interest rate borrowings.

(2) Other pricing risks

The consolidated company is exposed to equity price risk due to the consolidated company's holding of domestic and foreign stocks, equity securities, and beneficiary certificates of funds. The consolidated company does not trade these investments actively, but assigns relevant personnel to monitor the price risk and assess when it is necessary to increase the risk-averse positions.

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\$1,125 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\$10,880 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\$3,735 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 the financial loss of the Consolidated Company caused by the counterparty defaulting on the contractual obligations. As of the balance sheet date, the largest credit risk exposure of the Consolidated Company that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

In order to mitigate credit risk, the management of the Consolidated Company assigned a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Consolidated Company will review the recoverable amount of receivables one by one on the balance sheet date to ensure that unrecoverable receivables have been appropriately listed for impairment loss. Accordingly, the management level of the Consolidated Company believes that the credit risk of the Consolidated Company has been significantly mitigated.

Those subject to accounts receivable cover many customers of different industries and sectors. The Consolidated Company conducts ongoing assessments of the financial condition of customers of 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 Consolidated Company manages and maintains sufficient cash to support the Consolidated Company's operations and mitigate the impact of cash flow fluctuations. The management level of the Consolidated Company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank loans are an important source of liquidity for the Consolidated Company. For the Consolidated 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 was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) on the earliest date at which the consolidated company may be required to repay. Therefore, the bank borrowings that the consolidated company can be required to repay immediately are in the earliest period in the table below, regardless of the probability of the bank exercising the right; the maturity analysis of other non-derivative financial liabilities is 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	More than 5 years
Non-interest-bearing liabilities	\$ 56,752	\$ 47,734	\$ 30,470	\$ 3,064	\$ -
Lease liabilities	22,037	3,272	19,244	179,266	607,952
Floating interest rate instruments	61,747	3,427	15,383	225,587	-
	<u>\$ 140,536</u>	<u>\$ 54,433</u>	<u>\$ 65,097</u>	<u>\$ 407,917</u>	<u>\$ 607,952</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liabilities	<u>\$ 44,553</u>	<u>\$ 179,266</u>	<u>\$ 131,279</u>	<u>\$ 130,055</u>	<u>\$ 123,223</u>	<u>\$ 223,395</u>

December 31, 2024

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest-bearing liabilities	\$ 159,406	\$ 42,843	\$ 29,202	\$ 1,000	\$ -
Lease liabilities	21,533	2,264	9,935	158,852	612,988
Floating interest rate instruments	81,296	2,503	14,534	31,608	-
	<u>\$ 262,235</u>	<u>\$ 47,610</u>	<u>\$ 53,671</u>	<u>\$ 191,460</u>	<u>\$ 612,988</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liabilities	<u>\$ 33,732</u>	<u>\$ 158,852</u>	<u>\$ 109,536</u>	<u>\$ 131,351</u>	<u>\$ 124,637</u>	<u>\$ 247,464</u>

The bank loans that the Consolidated Company can be required to repay immediately are included in the above-mentioned maturity analysis table within a period shorter than 1 month. As of December 31, 2025 and 2024, the balance of undiscounted principal of these bank loans are NT\$61,258 thousand and NT\$81,155 thousand respectively.

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	\$ 6,667	\$ 41,528
- Unutilized amount	<u>80,000</u>	<u>80,000</u>
	<u>\$ 86,667</u>	<u>\$ 121,528</u>
Guaranteed bank facilities		
- Amount used	\$ 281,562	\$ 358,844
- Unutilized amount	<u>488,000</u>	<u>532,123</u>
	<u>\$ 769,562</u>	<u>\$ 890,967</u>

XXIX. Related-party transactions

Except for those disclosed in Note 31 to the consolidated financial statements, all transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated upon consolidation and are not disclosed in The Notes. The material transactions between the Consolidated Company and other related parties are disclosed as follows.

(I) Names of related parties and their relationships

<u>Name of the related parties</u>	<u>Relationship with the Company</u>
Durban Development Co., Ltd. (Durban Development)	Substantive related party
T&W Transportation Services (T&W Transportation)	Substantive related party
Mayer Steel Pipe Corporation (Mayer Steel Pipe)	Substantive related party
Mayer Inn Corporation (Mayer Inn)	Substantive related party
Athena Information Systems International Co., Ltd. (Athena Information Systems International)	Substantive related party
Durban Dive Corporation (Durban Dive)	Substantive related party
Yu-hung Investment Co., Ltd. (Yu-hung Investment)	Substantive related party
Ying Shun Construction Co., Ltd. (Ying Shun Construction)	Associates

(Continue to the next page)

(Cont'd)

Name of the related parties	Relationship with the Company
Hsiang-Hua Li	Substantive related party
Yi-Wei Chen	Substantive related party
Yuan Chuan Steel Co., Ltd. (Yuan Chuan Steel)	Associates
TienPin Development Co., Ltd. (TienPin Development)	Associates
Miramar Hotel Taipei Co., Ltd. (Miramar Hotel)	Associates

(II) Operating revenue

Accounting item	Type/Name of related parties	2025	2024
Transportation revenue	Substantive related party		
	T&W Transportation Services	\$ 144,042	\$ 179,530
Hospitality revenue	Substantive related party		
	Others	<u>628</u>	<u>708</u>
		<u>\$ 144,670</u>	<u>\$ 180,238</u>

There was no significant difference in the price of sales between the consolidated company and the related party and the non-related party.

(III) Operating cost

Accounting item	Type/Name of related parties	2025	2024
Transportation cost	Substantive related party		
	T&W Transportation Services	\$ 55,738	\$ 51,426
Dining and travel expenses	Substantive related party		
	Athena Information Systems International Co., Ltd.	<u>452</u>	<u>439</u>
		<u>\$ 56,190</u>	<u>\$ 51,865</u>

There is no significant difference between the transaction price between the Consolidated Company and the related party and the non-related party.

(IV) Operating expense

Accounting item	Type of related parties	2025	2024
Dining and travel expenses	Substantive related party		
	Athena Information Systems International Co., Ltd.	\$ 580	\$ 774
	Others	<u>48</u>	<u>-</u>
		<u>628</u>	<u>774</u>
Transportation expenses	Substantive related party		
	T&W Transportation Services	<u>338</u>	<u>107</u>
		<u>\$ 966</u>	<u>\$ 881</u>

(V) Rental agreement

Operating leases

The consolidated company leases the right-to-use transportation equipment and buildings to the substantive related party by operating lease with a lease period of 1 year. The recognized lease income for 2025 and 2024 was NT\$1,038 thousand and NT\$812 thousand, respectively.

The Consolidated Company leases the right-to-use building to the affiliated enterprise 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.

(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) Other gains and losses

<u>Type of related parties</u>	<u>2025</u>	<u>2024</u>
Substantive related party		
T&W Transportation Services	<u>\$ 630</u>	<u>\$ 426</u>

(VIII) 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>
Notes receivable - related parties	Substantive related party		
	T&W Transportation Services	<u>\$ 19,870</u>	<u>\$ 31,341</u>
Accounts receivable - related parties	Substantive related party		
	T&W Transportation Services	\$ 23,512	\$ 35,212
	Others	<u>41</u>	<u>75</u>
		<u>\$ 23,553</u>	<u>\$ 35,287</u>

No guarantee is collected for accounts receivable from related parties.

(IX) Payables to related parties (excluding loans from related parties)

Accounting item	Type/Name of related parties	December 31, 2025	December 31, 2024
Notes payable - related parties	Substantive related party		
	T&W Transportation Services	\$ <u>14,067</u>	\$ <u>12,709</u>
Accounts payable - related parties	Substantive related party		
	T&W Transportation Services	\$ 5,770	\$ 4,961
	Others	<u>-</u>	<u>62</u>
		<u>\$ 5,770</u>	<u>\$ 5,023</u>
Other payables - related parties	Substantive related party		
	Athena Information Systems International Co., Ltd.	\$ <u>55</u>	\$ <u>55</u>

The balance of outstanding accounts payable to related parties is not provided as collateral and will be settled in cash.

(X) Prepayments

Type of related parties	December 31, 2025	December 31, 2024
Substantive related party		
Athena Information Systems International Co., Ltd.	\$ <u>300</u>	\$ <u>145</u>

(XI) Equity trading

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

(XII) 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)
Associate - Miramar Hotel Taipei Co., Ltd.	Financial assets measured at fair value through other comprehensive income	4,457,142	Yuan Chuan Steel Co., Ltd. (Ordinary shares)	\$ <u>204,350</u>	\$ <u>177,075</u>

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.

(XIII) Compensation of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 24,609	\$ 31,971
Post-employment benefits	655	814
Termination benefits	<u>121</u>	<u>-</u>
	<u>\$ 25,385</u>	<u>\$ 32,785</u>

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

XXX. 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, commercial paper issuance, leased land, pre-sale housing trust, and gift certificate trust:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Operating concession (stated as intangible assets)	\$ 482,957	\$ 495,558
Financial assets measured at fair value through profit or loss - current	218,960	257,600
Non-current assets held for sale	69,021	-
Property, plant and equipment	41,127	110,497
Buildings and land held for sale (stated as inventories)	306,982	216,253
Bank deposits (booked in other financial assets - current and non-current)	33,146	10,135
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	<u>3,050</u>	<u>3,050</u>
	<u>\$ 1,155,243</u>	<u>\$ 1,093,093</u>

XXXI. Material contingent liabilities and unrecognized contractual commitments

Significant contract

Operating concession contract

On March 11, 2004, the Company's subsidiary Miramar Hospitality Co., Ltd. signed the "Development and Operation Contract for the Promotion of Private Participation in the Construction of Taipei City Affordable Hotels" with the Tourism Bureau, Ministry of Transportation and Communications. The operating period was from April 12, 2004 to April 12, 2054. The operating concession amounted to NT\$27,000 thousand (included in the intangible assets), which had been paid at the time of signing the contract. According to the contract, the Company's average room price shall not exceed the agreed price. The Company shall not increase the room rate within 3 years after the formal signing of the contract, and may adjust the price index according to the commodity price index after the fourth year, but the adjustment range is subject to the consent of the Tourism Bureau. to be processed. The operating royalty is

calculated based on 8% of the annual operating revenue. The operating royalties in 2025 and 2024 were NT\$28,142 thousand and NT\$26,112 thousand (included in the operating expenses).

XXXII. 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.

XXXIII. Additional disclosures

- (I) Significant transactions:
 - 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 or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2.
 - 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 3
- (III) Information on investments in Mainland China: None

XXXIV. Department Information

The information provided to the major operational decision-makers for the purpose of allocating resources and evaluating the segment's performance, with emphasis on each type of product or service delivered or provided. The segments of the Consolidated Company to be reported are as follows:

(I) Segment revenue and operating results

The following is an analysis of the Consolidated Company's revenue and results by the reporting segment:

	Segment revenue		Segment profit	
	2025	2024	2025	2024
Transportation segment	\$ 302,509	\$ 344,379	(\$ 1,207)	(\$ 3,980)
Hotel segment	357,609	331,720	54,114	50,096
Other segments	11,994	11,039	(10,718)	(17,403)
Construction segment	<u>-</u>	<u>-</u>	(<u>30,753</u>)	(<u>45,256</u>)
Profit/loss from continuing operations	<u>\$ 672,112</u>	<u>\$ 687,138</u>	11,436	(16,543)
Interest income			5,243	5,714
Other income			128,287	186,511
Other gains and losses			(19,251)	180,359
Finance costs			(17,277)	(15,892)
Expected credit impairment loss			<u>-</u>	(<u>1,889</u>)
Net income (loss) before tax			<u>\$ 108,438</u>	<u>\$ 338,260</u>

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales in 2025 and 2024.

Segment profit is the profit earned by each segment, excluding the share of loss, other income, other gains and losses, interest income, finance costs, expected credit impairment loss, and income tax expenses of affiliates using the equity method. This measure is provided to the chief operating decision-makers for allocating resources to segments and measuring their performance.

(II) Total assets of segments

The measured amount of the Consolidated Company's assets is not provided to the operating decision-maker, so the measured amount of segment assets is zero.

(III) Information of other segments

Other information that has been reviewed by the chief operating decision-maker or provided to the chief operating decision-maker on a regular basis:

	Depreciation and amortization	
	2025	2024
Transportation segment	\$ 16,905	\$ 17,916
Hotel segment	43,475	41,465
Other segments	7,078	6,125
Construction segment	<u>3,632</u>	<u>781</u>
	<u>\$ 71,090</u>	<u>\$ 66,287</u>

(IV) Income from main products and services

For the income from main products and services of the Consolidated Company's business units, please see (I) Departmental revenue and operating results.

(V) Information by geographical location

The place of operation of the Consolidated Company's business units is Taiwan.

(VI) Information of major customers

Where the revenue from a single customer exceeds 10% of the Consolidated Company's net revenue:

	2025	2024
Customer A	<u>\$ 144,042</u>	<u>\$ 179,530</u>

Tze Shin International Co., Ltd. and 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
 Total purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital.
 January 1 to December 31, 2025

Table 2

Unit: NTD thousands, unless stated otherwise

Purchase (sale) company	Name of counterparty	Relationship	Transaction status				Conditions and causes of difference from general transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale) of goods	Amount	Percentage of total purchase (sale)	Duration of credit extension	Unit price	Duration of credit extension	Balance	Percentage of total notes and accounts receivable (payable)	
Hsin Hai Transportation & Terminal Co., Ltd.	T&W Transportation Service	Substantive related party	Transportation revenue	(\$ 144,042)	48%	(Note)	\$ -	—	\$ 43,381	55%	

Note: Payment terms are equivalent to those of non-related parties.

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 3

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 of investees for the current year (Loss)	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	\$ 42,585	\$ 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	10,224	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	(67)	(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	-	(67)	-	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.