Stock Code: 1316

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Financial Statements and External Auditor's Report

2025 and 2024

Company address: 20-6F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City

Tel. No.: (06) 298-8318

Table of Contents

Statement

The companies to be included by the Company in the consolidated financial statement of affiliated companies in 2025 (January 1, 2025 to December 31, 2025) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to the International Financial Reporting Standards (IFRSs) 10 endorsed by Financial Supervisory Commission (FSC). Further, the related information to be disclosed in the consolidated financial statement of affiliated companies has been disclosed in said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated companies separately.

Hereby declared by

Company name: SUN YAD CONSTRUCTION CO., LTD.
Chairman: Chang Yu-Ming
Date: March 30, 2026

External Auditor's Report

To the Board of Directors of SUN YAD CONSTRUCTION CO., LTD.:

Audit Opinions

We have completed our review on the Consolidated Balance Sheet of SUN YAD CONSTRUCTION CO., LTD. and its subsidiaries (hereinafter referred to as "SUN YAD Group") on December 31, 2025 and 2024, and Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 to December 31, 2025 and 2024.

In our opinion, said consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, based on our audit results and the other external auditors' report (please refer to the Other Matters section). They are sufficient to adequately express the consolidated financial status of the SUN YAD Group as of December 31, 2025 and 2024 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2025 and 2024.

Basis for Opinions

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

Other Matters

Included in the consolidated financial statements of SUN YAD Group for 2025 are investments accounted for using the equity method and subsidiaries. The financial statements of Y-S Electronic Co., Ltd. and its subsidiaries have not been audited by this CPA, but have been audited by other CPAs. Accordingly, in the opinion expressed on the above-mentioned consolidated financial statements, this CPA relied on the audit reports of other CPAs. The total assets of Y-S Electronic Co., Ltd. and its subsidiaries as of December 31, 2025 accounted for 4% of the consolidated total assets, and their net operating revenue for the period from January 1 to December 31, 2025 accounted for 3% of the consolidated net operating revenue. And the share of profit or loss of affiliates recognized using the equity method accounted for 0.14% of consolidated profit before tax.

SUN YAD CONSTRUCTION CO., LTD. has prepared the parent company only financial statements 2025 and 2024, which we have audited and on which we issued an unmodified opinion with an emphasis-of-matter paragraph and an unmodified opinion, respectively, for reference purposes.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2025 consolidated financial statements of the SUN YAD Group based on our professional judgment. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

I. Recognition of revenue - real estate sale

For the accounting policy about recognition of property sales revenue, please refer to Notes IV(XVI) Recognition of Revenue in the consolidated financial statements. For the disclosures related to the recognition of revenue, please refer to Note VI(XXVIII) Revenue from contracts with customers in the consolidated financial statements.

Explanation of Key Audit Matters:

The revenue from sale of real estate of SUN YAD Group was recognized at the time of registration of the transfer of real estate title and physical settlement. Management might fail to recognize revenue early or defer the recognition of revenue in order to attain a better performance. Such transactions might not satisfy the revenue recognition principles, possibly resulting in significant risk over misrepresentation. Therefore, the recognition of revenue is identified as one of the important evaluation indicators in our audit on SUN YAD Group’s consolidated financial statements.

Audit procedures:

Our primary audit procedures for said key audit matters consist of verification of the control mechanism for the operating procedure of collecting and recognizing revenue from sales under the company’s internal control system. We conduct the random check on the house and land sales contracts, payment details, bank transaction records, real estate ownership transfer documents, and settlement list. We conduct the random check on each installment payment for house/land to analyze the integrity of bank’s collections and unearned receipts out for the house/land payment accounting procedure. We select the transactions before and after the balance sheet date at random to check the related transaction documents and evaluate whether the revenue is recognized in a timely manner.

II. Recognition of Revenue - Health Food and Apparel Segment

For the accounting policy on revenue recognition of the health food and apparel segment, please refer to Note IV(XVI) Recognition of Revenue of the consolidated financial statements; for disclosures related to revenue, please refer to Note VI(XXVII) Revenue from contracts with customers of the consolidated financial statements.

Explanation of Key Audit Matters:

The SUN YAD Group is a TPEx-listed company involving public interest, and investors place significant attention on its operating performance. Accordingly, revenue recognition of the health food and apparel segment is one of the key audit matters considered by us in performing the audit of the consolidated financial statements.

Audit procedures:

The principal audit procedures performed by us in relation to the above key audit matter included understanding the relevant internal controls over revenue recognition for the health food and apparel segment; gaining an understanding of the transaction methods and terms in order to assess whether the accounting policies for the timing of revenue recognition for the health food and apparel segment are appropriate; selecting samples and reviewing sales contracts or orders to evaluate the impact of contract terms and transaction conditions on revenue recognition for the health food and apparel segment and to confirm whether the accounting treatment is appropriate; and assessing whether the relevant revenue information has been appropriately disclosed.

III. Inventory valuation

For the accounting policy on inventory valuation, please refer to Note IV(VIII) Inventory in the consolidated financial statements. For the uncertainty in accounting estimates and hypotheses about net realizable value of inventory valuation, please refer to Note V in the consolidated financial statements. For the explanation of the net realizable value of inventory valuation, please refer to Note VI(VII) Inventory in the consolidated financial statements.

Explanation of Key Audit Matters:

The SUN YAD Group measures inventories at the lower of cost and net realizable value. Construction industry: Due to the high capital requirements and long payback period of the real estate sector, and the industry being significantly affected by political and economic conditions as well as housing tax reforms, there is a risk that inventory costs may exceed net realizable value. Manufacturing industry: Due to changes in market supply and demand, as well as product obsolescence or reduced market demand, sales of related products may fluctuate significantly, resulting in inventory obsolescence and a risk that inventory costs may exceed net realizable value. Therefore, the inventory valuation is identified as one of the important evaluation indicators in our audit on SUN YAD Group’s consolidated financial statements.

Audit procedures:

The principal audit procedures performed by us in relation to the above key audit matters include: For the construction industry, we obtained the most recent real estate actual transaction price registration values announced by the Ministry of the Interior and nearby market transaction data, and converted the average selling price into the net realizable value of inventories, or obtained appraisal reports from real estate appraisers or transaction market prices, to assess the reasonableness of the provision for inventory impairment or obsolescence in the construction segment and whether inventory valuation was performed in accordance with the Company’s established accounting policies. For the manufacturing industry, we obtained an understanding of management’s policy for evaluating inventory obsolescence and compared it with the actual historical obsolescence of inventories to assess the accuracy of management’s past estimates; obtained inventory aging reports, selected samples and traced them to inventory movement documents to test the accuracy of inventory aging calculations; recalculated the allowance for inventory obsolescence based on the applicable provision rates for each aging category; and assessed whether the Company’s disclosures regarding the allowance for inventory losses were appropriate.

IV. Business combination

For the accounting policy on business combinations, please refer to Note IV(XXI) Business Combinations of the consolidated financial statements; for estimation and assumption uncertainty in the acquisition of subsidiaries, please refer to Note V of the consolidated financial statements; and for disclosures related to business combinations, please refer to Note VI(IX) Business combinations of the consolidated financial statements.

Explanation of Key Audit Matters:

The management of the SUN YAD Group engaged external independent valuation experts to issue a purchase price allocation report, and based on the valuation results of such report, recognized and adjusted the fair values of the related identifiable intangible assets, as well as goodwill or bargain purchase gain. Since the allocation of the purchase price involves assumptions in accounting estimates, including valuation models, key parameter settings, future cash flows, and the use of discount rates, the evaluation of the purchase price allocation report is therefore one of the key audit matters considered by us in performing the audit of the consolidated financial statements.

Audit procedures:

Our principal audit procedures for the abovementioned key audit matter included interviewing management to understand the purpose of the equity transaction and the evaluation process, and reviewing the price reasonableness opinion issued by the expert; selecting samples to review the minutes of Board of Directors meetings and equity transaction agreements to confirm that the relevant resolutions were consistent with the contents of the equity transaction agreements; assessing the competence and objectivity of the external independent valuation expert engaged by management; selecting samples and engaging our valuation experts to perform relevant procedures in assessing whether the key assumptions and valuation methods adopted in the purchase price allocation report issued by the external independent valuation expert were reasonable; and evaluating whether the Company's disclosures relating to the business combination were appropriate.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of SUN YAD Group to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate SUN YAD Group or to cease operations, or has no feasible alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of SUN YAD Group.

External Auditors' Responsibilities for the Audit on Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of SUN YAD Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of SUN YAD Group to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SUN YAD Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion on the Group.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2025 consolidated financial statements of SUN YAD Group. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPAs:

Approval reference of securities competent authority: Jin-Guan-Zhen-6-Zi No. 0960069825
Jin-Guan-Zhen-Shen-Zi No. 1130332775

March 30, 2026

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ Thousand

Code	Assets	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note VI(I))	$ 2,907,472	12	1,631,952	9
1110	Financial assets at fair value through profit or loss - current (Notes VI(II) and (XXI))	18,708	-	134,161	1
1136	Financial assets measured at amortized cost - current (Note VI(IV))	1,199,795	5	289,623	2
1140	Contract assets - current (Note VI(XXVIII))	41,387	-	-	-
1150	Net notes receivable (Note VI(V) and (XXVIII))	62,657	-	24,426	-
1170	Net accounts receivable (Note VI(V), (XXVIII) and VII)	508,034	2	205,876	1
1200	Other receivables (Note VI(VI) and VII)	77,294	-	9,629	-
1220	Income tax assets for the current period	4,400	-	3,050	-
130X	Inventory (Note VI(VII), VIII and IX)	11,424,530	46	10,301,383	57
1410	Prepayments	772,156	3	414,236	3
1470	Other current assets	34,270	-	247,648	1
1476	Other financial assets - current (Note VIII)	454,534	2	206,461	1
	Total current assets	17,505,237	70	13,468,445	75
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II), (XXI) and VIII)	372,378	2	393,741	2
1521	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	80,082	-	77,964	-
1535	Financial assets measured at amortized cost - non-current (Note VI(IV) and VIII)	240,967	1	152,653	1
1550	Investment under equity method (Note VI(VIII))	132,297	1	-	-
1600	Property, plant and equipment (Note VI(IX), (XII), VIII and IX)	3,565,844	14	2,992,474	17
1755	Right-of-use assets (Notes VI(IX) and (XIII))	375,688	2	116,926	1
1760	Investment property (Notes VI(XIV), (XXII) and VIII)	411,940	2	419,750	2
1780	Intangible assets (Note VI(IX) and (XV))	1,421,577	6	186,216	1
1840	Deferred income tax assets (Note VI(IX) and (XXIV))	49,896	-	28,660	-
1920	Refundable deposits (Note VII and VIII)	39,193	-	18,501	-
1960	Prepayments for investments (Note VI(II))	455,001	2	-	-
1980	Other financial assets - non-current (Note VIII)	81,793	-	163,000	1
1990	Other non-current assets (Note VI(XII) and (XXIII))	87,903	-	14,770	-
	Total non-current assets	7,314,559	30	4,564,655	25
	Total assets	$ 24,819,796	100	18,033,100	100

Code	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 (adjusted) Amount	%
	Current liabilities:				
2100	Short-term loan (Notes VI(XVI) and VIII)	$ 6,103,187	25	5,554,426	31
2110	Short-term bills and notes payable (Notes VI(XVII) and VIII)	333,336	1	399,440	2
2120	Financial liabilities at fair value through profit or loss - non-current (Note VI(II) and (XXI))	1,076	-	-	-
2130	Contract liabilities - current (Note VI(XXVIII) and IX)	1,433,810	6	1,189,912	7
2150	Notes payable	2,790	-	28,380	-
2170	Accounts payable	763,207	3	429,491	3
2200	Other payables (Note VII)	551,176	2	209,353	1
2230	Income tax liabilities for the current period	355,257	1	51,711	-
2250	Provision for liabilities - current (Notes VI(XX) and (XXIII))	16,208	-	5,000	-
2280	Lease liabilities - current (Note VI(XIX))	61,273	-	20,593	-
2321	Corporate bonds payable due within one year or one business cycle (Notes VI(XXI) and VIII)	493,369	2	131,773	1
2322	Long-term loan due within one year or one business cycle (Note VI(XVIII) and VIII)	58,548	-	66,936	-
2399	Other current liabilities	52,650	-	20,362	-
	Total current liabilities	10,225,887	40	8,107,377	45
	Non-current liabilities:				
2530	Corporate bonds payable (Notes VI(XXI) and VIII)	378,437	2	748,534	4
2540	Long-term loan (Notes VI(XVIII) and VIII)	204,463	1	74,854	-
2572	Deferred income tax liabilities (Note VI(IX) and (XXIV))	188,960	1	81,579	-
2580	Lease liabilities - non-current (Note VI(XIX))	340,815	1	108,811	1
2640	Net defined benefit liabilities - non-current (Note VI(XXIII))	2,726	-	-	-
2645	Deposits received	6,894	-	5,771	-
	Total non-current liabilities	1,122,295	5	1,019,549	5
	Total liabilities	11,348,182	45	9,126,926	50
	Equity attributed to owners of the parent (Note VI(X), (XI), (XXI), (XXV) and (XXVI)):				
3100	Capital stock	3,685,312	15	3,010,160	17
3200	Capital surplus	1,002,197	4	649,691	4
3350	Accumulated deficit	(483,221)	(2)	(312,608)	(2)
3400	Other equity	73	-	(151)	-
3500	Treasury stock	(56,929)	-	(46,712)	-
	Total equity attributed to owners of the parent	4,147,432	17	3,300,380	19
	Non-controlling equity:				
36XX	Non-controlling equity (Notes VI(IX), (X) and (XI))	9,324,182	38	5,605,794	31
	Total equity	13,471,614	55	8,906,174	50
	Total liabilities and equity	$ 24,819,796	100	18,033,100	100

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

Code	Item	2025 Amount	2025 %	2024 (adjusted) Amount	2024 (adjusted) %
4000	**Net operating revenue (Notes VI(XI), (XXVIII) and VII)**	$ 4,404,254	100	1,491,234	100
5000	**Operating cost (Note VI(VII), (XIX), (XX), (XXIII), VII and XII)**	2,688,121	61	1,010,282	68
5900	**Gross profit**	1,716,133	39	480,952	32
6100	**Operating expenses (Notes VI(V), (XIX), (XXIII), (XXVI), VII and XII):**				
6100	Selling expenses	514,315	12	234,910	16
6200	Management expenses	828,474	19	327,452	22
6300	R&D expenses	50,439	1	21,025	1
6450	Gain on reversal of expected credit impairment	(9)	-	(580)	-
		1,393,219	32	582,807	39
6900	**Operating profit (loss)**	322,914	7	(101,855)	(7)
	Non-operating revenue and expenditure: (Note VI(II), (III), (VIII), (IX), (XIX), (XXI), (XXII), (XXX) and VII)				
7100	Interest revenue	37,960	1	20,069	1
7190	Other revenue	13,567	-	12,975	1
7140	Gain recognized in bargain purchase transaction	721	-	543,086	36
7020	Other gains and losses	899,772	20	105,042	7
7050	Financial cost	(129,487)	(3)	(124,981)	(8)
7060	Share of profit or loss of affiliated companies recognized under equity method	(3,201)	-	-	-
	Total non-operating revenue and expenditure	819,332	18	556,191	37
7900	**Net profit before tax**	1,142,246	25	454,336	30
7950	**Less: Income tax expenses (gains) (Note VI(XXIV))**	380,328	8	54,974	4
8200	**Income from**	761,918	17	399,362	26
8300	**Other comprehensive income:**				
8310	**Items not reclassified into income (Note VI(XXIV) and (XXV))**				
8311	Remeasurement of defined benefit plan	3,381	-	(1,836)	-
8316	Unrealized valuation gains or loss on investment in equity instrument at fair value through other comprehensive income	(1,539)	-	(122)	-
8320	Share of other comprehensive income of affiliates accounted for using the equity method - items not reclassified to profit or loss	650	-	-	-
8349	Less: Income tax related to items that are not reclassified	677	-	(367)	-
	Total items not reclassified into income:	1,815	-	(1,591)	-
8360	**Items that may be subsequently reclassified into income (Note VI(XXIV) and (XXV))**				
8361	Exchange differences on translation of foreign financial statements	20,358	-	7	-
8367	Unrealized valuation gains or loss on investment in debt instrument at fair value through other comprehensive income	27	-	(286)	-
8370	Share of other comprehensive income of affiliates and joint ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss	(4,476)	-	-	-
8399	Less: Income tax related to items that might be reclassified	5	-	(57)	-
	Total items likely to be reclassified into income subsequently	15,904	-	(222)	-
8300	**Other comprehensive income (net after tax)**	17,719	-	(1,813)	-
8500	**Total comprehensive income**	**$ 779,637**	**17**	**397,549**	**26**
	Net income (loss) of the period attributed to:				
8610	Owners of the parent	$ (170,638)	(4)	(204,561)	(14)
8620	Non-controlling equity	932,556	21	603,923	40
		$ 761,918	**17**	**399,362**	**26**
	The total comprehensive income shall be vested in:				
8710	Owners of the parent	$ (170,703)	(4)	(204,743)	(14)
8720	Non-controlling equity	950,340	21	602,292	40
		$ 779,637	**17**	**397,549**	**26**
	Loss per share (Note VI(XXVII) (Unit: NT$)				
9750	**Basic loss per share**	**$**	**(0.52)**		**(0.75)**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its’ Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	Equity attributed to owners of the parent												
			Retained earnings				Other equity items						
	Common stock capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity attributed to owners of the parent	Non-controlling equity	Total equity
Balance on January 1, 2024	$ 2,804,169	288,659	12,161	25,949	(145,869)	(107,759)	(182)	197	15	(82,303)	2,902,781	2,890,478	5,793,259
Income (loss) (adjusted)	-	-	-	-	(204,561)	(204,561)	-	-	-	-	(204,561)	603,923	399,362
Other comprehensive income for the current period	-	-	-	-	(16)	(16)	4	(170)	(166)	-	(182)	(1,631)	(1,813)
Total comprehensive income	-	-	-	-	(204,577)	(204,577)	4	(170)	(166)	-	(204,743)	602,292	397,549
Issuance of convertible corporate bonds - conversion rights	-	35,252	-	-	-	-	-	-	-	-	35,252	-	35,252
Convertible corporate bonds	161,381	47,775	-	-	-	-	-	-	-	-	209,156	-	209,156
Subsidiaries’ conversion of convertible corporate bonds	-	-	-	-	-	-	-	-	-	-	-	790,372	790,372
Disposal of parent company shares by subsidiaries accounted for as treasury share transactions	-	12,282	-	-	-	-	-	-	-	35,591	47,873	226,136	274,009
Subsidiaries’ allocation of cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(99,368)	(99,368)
Changes in the ownership and equity of the subsidiary	-	257,824	-	-	(272)	(272)	-	-	-	-	257,552	41,114	298,666
Share-based payment transactions	-	761	-	-	-	-	-	-	-	-	761	392	1,153
Exercise of employee stock options	44,610	7,138	-	-	-	-	-	-	-	-	51,748	-	51,748
Decrease/increase in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	1,154,378	1,154,378
Balance on December 31, 2024 (adjusted)	**3,010,160**	**649,691**	**12,161**	**25,949**	**(350,718)**	**(312,608)**	**(178)**	**27**	**(151)**	**(46,712)**	**3,300,380**	**5,605,794**	**8,906,174**
Income (loss)	-	-	-	-	(170,638)	(170,638)	-	-	-	-	(170,638)	932,556	761,918
Other comprehensive income for the current period	-	-	-	-	25	25	1,119	(1,209)	(90)	-	(65)	17,784	17,719
Total comprehensive income	-	-	-	-	(170,613)	(170,613)	1,119	(1,209)	(90)	-	(170,703)	950,340	779,637
Cash capital increase	650,000	130,000	-	-	-	-	-	-	-	-	780,000	-	780,000
Convertible corporate bonds	14,422	6,713	-	-	-	-	-	-	-	-	21,135	-	21,135
The stocks of the parent company purchased by a subsidiary shall be identified as treasury stocks.	-	-	-	-	-	-	-	-	-	(10,322)	(10,322)	(367,622)	(377,944)
Disposal of parent company shares by subsidiaries accounted for as treasury share transactions	-	(3,292)	-	-	-	-	-	-	-	-	(3,292)	135,083	131,791
Subsidiaries’ allocation of cash dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(165,193)	(165,193)
Changes in the ownership and equity of the subsidiary	-	187,801	-	-	-	-	-	-	-	105	187,906	1,696,720	1,884,626
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	314	-	314	-	314	-	314
Share-based payment transactions	-	29,738	-	-	-	-	-	-	-	-	29,738	-	29,738
Exercise of employee stock options	10,730	1,546	-	-	-	-	-	-	-	-	12,276	-	12,276
Decrease/increase in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	1,469,060	1,469,060
Balance on December 31, 2025	**$ 3,685,312**	**1,002,197**	**12,161**	**25,949**	**(521,331)**	**(483,221)**	**1,255**	**(1,182)**	**73**	**(56,929)**	**4,147,432**	**9,324,182**	**13,471,614**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	2025	2024 (adjusted)
Cash flow from operating activities:		
Net income before tax	$ 1,142,246	454,336
Adjustment:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	113,002	68,203
Amortization expenses	17,247	7,908
Gain on reversal of expected credit impairment	(9)	(580)
Net gain on financial assets and liabilities at fair value through profit or loss	(55,680)	(56,743)
Interest expenses	129,487	124,981
Interest revenue	(37,960)	(20,069)
Dividend revenue	(13,567)	(12,975)
Profit from lease modification	(123)	-
Share of profit or loss of affiliated companies recognized under equity method	3,201	-
Loss on disposal of property, plant and equipment	98	16
Disposal of investment gains under equity method	(856,684)	-
Impairment loss on non-financial assets	-	3,691
Unrealized foreign currency exchange loss (gain)	8,494	(7,388)
Share-based payment transactions	29,738	1,153
Gain recognized in bargain purchase transaction	(721)	(543,086)
Adjustments to reconcile profit (loss)	(663,477)	(434,889)
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Increase in contract asset	(12,224)	-
(Increase) decrease in notes receivable	(1,596)	14,648
(Increase) decrease in accounts receivable	(56,213)	56,507
Decrease in other receivables	5,368	26,481
Increase in inventories	(780,033)	(2,357,312)
(Increase) decrease in prepayments	(348,708)	12,349
Decrease (increase) in other current assets	241,365	(86,938)
Increase in other non-current assets	(54,104)	(3,411)
Total net changes in assets related to operating activities	(1,006,145)	(2,337,676)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	148,938	296,997
Decrease in notes payable	(26,778)	(72,094)
Increase (decrease) in accounts payable	145,070	(324,850)
Increase in other payables	5,547	62,929
(Decrease) increase in provision for liabilities - current	(5,000)	5,000
Increase in other current liabilities	20,518	3,874
Decrease in net defined benefit liabilities - non-current	(110)	-
Total net changes in liabilities related to operating activities	288,185	(28,144)
Total net changes in assets and liabilities related to operating activities	(717,960)	(2,365,820)
Total adjustments	(1,381,437)	(2,800,709)
Cash outflow from operation	(239,191)	(2,346,373)
Interest collected	37,115	18,460
Dividends collected	13,567	12,975
Interest paid	(186,843)	(133,212)
Income tax paid	(77,885)	(8,566)
Net cash outflow from operating activities	(453,237)	(2,456,716)
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,450)	(60,720)
Acquisition of financial assets measured at amortized cost	(1,789,587)	-
Disposal of financial assets measured at amortized cost	917,380	119,671
Acquisition of financial assets at fair value through profit or loss	(31,031)	(198,724)
Proceeds from disposal of financial assets at fair value through profit or loss	228,250	301,432
Acquisition of investment under equity method	(560,371)	-
Disposal of investments accounted for using the equity method	(31,979)	-
Increase in prepayments for investments	(455,001)	-
Acquisition of businesses and subsidiaries	(195,943)	(537,012)
Acquisition of property, plant and equipment	(66,537)	(42,934)
Proceeds from disposal of property, plant and equipment	43	1,672
Increase in refundable deposits	(9,763)	(1,434)
Acquisition of intangible assets	(5,983)	(16,774)
Cash inflows generated from mergers	471,307	-
Acquisition of investment property	(1,301)	(216)
Increase in other financial assets	(164,566)	(64,850)
Net cash outflow from investing activities	(1,697,532)	(499,889)

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries

Consolidated Cash Flow Statement (cont'd)

January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	2025	2024 (adjusted)
Cash flow from financing activities:		
Increase in short-term loans	2,344,708	3,014,036
Decrease in short-term loans	(1,815,387)	(1,312,524)
Increase in short-term bills and notes payable	-	1,091,671
Decrease in short-term bills and notes payable	(66,104)	(848,053)
Issuance of convertible corporate bonds	-	812,655
Repayment of corporate bonds	-	(13,200)
Proceeds from long-term loans	142,697	-
Repayment of long-term loans	(129,834)	(94,291)
Increase in deposits received	155	1,227
Repayment of principal for lease	(34,374)	(12,375)
Cash capital increase	780,000	-
Exercise of employee stock options	12,276	51,748
Repurchase of treasury stock	(504,784)	-
Proceeds from disposal of treasury shares	131,791	274,009
Acquisition of equity interests in subsidiaries	(183,474)	-
Disposal of equity interests in subsidiaries (without loss of control)	2,132,776	-
Changes in non-controlling equity	615,656	933,799
Net cash inflow from financing activities	3,426,102	3,898,702
Effect of changes in foreign exchange rate to cash and cash equivalents	187	832
Net increase in cash and cash equivalents in the current period	1,275,520	942,929
Balance of cash and cash equivalents, beginning	1,631,952	689,023
Balance of cash and cash equivalents, ending	**$ 2,907,472**	**1,631,952**

(See accompanying notes to consolidated financial statements)

Chairman: Chang Yu-Ming **Manager: Tseng Peng-Kuang** **Accounting Manager: Kuo Yu-Cheng**

SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries
Notes to Consolidated Financial Statements
2025 and 2024
(All amounts are expressed in NT$ thousand as the currency unit, unless otherwise noted.)

I. Company History

SUN YAD CONSTRUCTION CO., LTD. (hereinafter referred to as the "Company") was established upon approval of the Ministry of Economic Affairs on December 11, 1979. It registered address is 20-6F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City. The Company and its subsidiaries (hereinafter collectively referred to as the "consolidated company") are principally engaged in the manufacture and sale of various polymer chemical raw materials, including polyurethane resins, adhesives, surface treatment agents, solvents, synthetic leather, and plastic leather; residential and building development for lease and sale; livestock and poultry breeding; bulk raw material trading; sale of integrated circuit systems and security monitoring products; restaurant operations; retail sale of food groceries and beverages; other food and beverage services; trading of construction materials; interior decoration services; apparel trading; advertising and marketing; insurance brokerage; and the manufacture and sale of connecting wires and computer cutting plotters.

II. Dates and procedures where the financial statements were resolved

The consolidated financial statements were passed and promulgated by the Board of Directors on March 30, 2026.

III. Applicability of newly promulgated and amended standard rules and interpretations

(I) Effect posed by adoption of the newly promulgated and amended standard rules and interpretations endorsed by Financial Supervisory Commission (hereinafter referred to as the FSC)

The consolidated company adopted the following newly amended International Financial Reporting Standards Accounting Standards effective January 1, 2025, which did not have a material impact on the consolidated financial statements.

· Amendments to IAS 21, "Lack of Exchangeability"

(II) Effects of IFRSs Accounting Standards not yet adopted as endorsed by the FSC

The consolidated company evaluated that the application of the following amended IFRSs Accounting Standards since January 1, 2026 shall have little chance leading to material impacts in the consolidated financial statements.

- IFRS 17, "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRSs Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(III) New and amended standards and interpretations not yet endorsed by FSC.

IFRSs that have been released and amended by the International Accounting Standards Board (hereinafter referred to as the "IASB") but have not yet endorsed by the FSC as critical to the consolidated entities are listed as follows:

New or amended standard	Contents of the amendments	Effective date of IASB's announcement
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two subtotals in the statement of profit or loss, and a single note regarding management-defined performance measures. These three amendments and enhancements to the guidance on how information is disaggregated in the financial statements establish a foundation for providing users with improved and more consistent information and will affect all companies. • A more structured statement of profit or loss: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance among different companies. The new standard adopts a more structured statement of profit or loss by introducing a newly defined subtotal for "operating profit" and requiring all income and expenses to be classified into three new distinct categories based on the Company's main business activities. • Management-defined performance measures (MPMs): The new standard introduces a definition of management-defined performance measures and requires companies to explain in a single note to the financial statements why each measure provides useful information, how it is calculated, and how the measure is reconciled to amounts recognized in accordance with IFRSs Accounting Standards. • More disaggregated information: The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information should be presented in the primary financial statements or further disaggregated in the notes.	January 01, 2027 Note: The FSC issued a press release on September 25, 2025 announcing that Taiwan will align with IFRS 18 starting from the 2028 fiscal year. If a company intends to early adopt the standard, it may elect to do so upon approval by the FSC.

The consolidated entities are continuing to assess the impact of the above standards and interpretations on its financial status and operating results and will disclose relevant influence once the assessment has been completed.

The consolidated entities expect no material influence on the consolidated financial statements due to other newly published and amended standards yet to be recognized as below.

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and Amendments to IFRS 19
- Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of significant accounting policies

The important accounting policies applied by the consolidated financial statements are summarized as follows: The following accounting policies have been applied during the presentation period of the consolidated financial statements.

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports (the "Preparation Regulations") by Securities Issuers and with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission (the "IFRS Accounting Standards endorsed by FSC").

(II) Basis of preparation

1. Basis for measurement

Except the following important items in the balance sheet, the consolidated financial statement was prepared based on the historical cost:

(1) Financial assets at fair value through profit or loss;

(2) Financial assets at fair value through other comprehensive income; and

(3) Net defined benefit liabilities (or assets) are measured as the fair value of plan assets less the present value of the defined benefit obligations and the effect of the asset ceiling described in Note IV(XVIII).

2. Functional currency and presentation of currency

The functional currency of each of the consolidated entities shall be subject to the currency applicable in the main economic environment in which its business place is situated. The consolidated financial statements should be presented based on the Company's functional currency, NTD. Unless otherwise noted, all of the financial information presented in NTD should be held presented in NTD Thousand as the currency unit.

(III) Basis for consolidation

1. Principles for preparation of consolidated financial statements

The entities in the consolidated financial statements include the Company, and the entities controlled by the Company (namely, subsidiaries). When the Company is exposed to the changes of remuneration participated by the invested entities or is entitled to changes of remuneration, and is able to influence the remuneration by virtue of its power over the entities, the Company is held controlling the entities.

The subsidiary's financial statement shall be included into the consolidated financial statements as of the date of acquisition of the control is acquired, until the date of loss of the control. The consolidated entities' transactions, balance and unrealized income and expense have already been eliminated when the consolidated financial statements were prepared. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling equity, even if this results in the non-controlling equity having a deficit balance.

The financial statements of subsidiaries have been adjusted where necessary to ensure that its accounting policies are consistent with the policies adopted by the Company.

Any change in the Company's ownership of any subsidiaries which did not result in loss of control is treated as the equity transaction with the owner. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected consideration shall be stated into equity directly and vested in the owners of the Company.

When the consolidated company loses control of a subsidiary, the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary are derecognized in the consolidated financial statements at their carrying amounts as of the date control is lost, and any retained investment in the former subsidiary is remeasured at fair value on the date control is lost. The gain or loss on disposal is the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained investment in the former subsidiary on the date control is lost, and (2) the aggregate of the carrying amounts of the subsidiary's assets (including goodwill), liabilities, and non-controlling interests on the date control is lost. For all amounts previously recognized in other comprehensive income in relation to that subsidiary, the accounting treatment is based on the same basis that would be required if the consolidated company had directly disposed of the related assets or liabilities.

2. Subsidiaries included into the consolidated financial statements

The subsidiaries included into the consolidated financial statements include:

Name of investing company	Name of Subsidiary	Nature of Business	Equity (%) 2025.12.31	Equity (%) 2024.12.31	Remarks
The Company	Victory Enterprises Limited	Investment	64.36%	64.36%	
The Company	U-BEST Innovative Technology Co., Ltd. (U-BEST)	Manufacturing and trading of polyester resin, adhesive and surface treatment agent	12.64%	12.66%	(Note 1)
The Company	Shangyu Construction Co., Ltd. (Shangyu)	Construction and engineering	99.99%	99.99%	
The Company	Myson Century, Inc. (Myson)	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	17.17%	17.06%	(Note 1)
The Company	Feei Cherng Develop Technology Co., Ltd. (Feei Cherng)	Livestock breeding, bulk raw materials trading, and housing and building development and rental	9.95%	13.04%	(Note 1)
The Company	Y-S Electronic Co., Ltd. (Y-S Electronic)	Electronic components industry	4.22%	- %	(Note 6)
Myson Century, Inc.	Zavio Inc. (Zavio)	Apparel trading industry	100.00%	100.00%	
Myson Century, Inc.	YUAN QIAO Corporation (Yuan Qiao)	Restaurants	80.00%	80.00%	
Myson Century, Inc.	Yunkang Century Co., Ltd. (Yunkang Century)	Wholesale of Foods and Groceries	100.00%	100.00%	(Note 2)
Myson Century,	Hua Han Insurance	Insurance brokerage industry	- %	13.50%	(Note 3)

Name of investing company	Name of Subsidiary	Nature of Business	Equity (%) 2025.12.31	Equity (%) 2024.12.31	Remarks
Inc.	Brokers Co., Ltd. (Hua Han)				
Myson Century, Inc.	Zhaohe Biomedical Co., Ltd. (Zhaohe Biomedical)	Wholesale of Foods and Groceries	51.00%	- %	
Myson Century, Inc.	Create E-commerce Co., Ltd.	Operation of online social media platforms and product sales	100.00%	- %	
Myson Century, Inc.	Tai Bao Da Investment Holding Co., Ltd.	Investment	70.00%	- %	
Myson Century, Inc.	GRIT BIOTECHNOLOGY CO., LTD. (GRIT BIOTECHNOLOGY)	Wholesale of Foods and Groceries	51.00%	- %	
Myson Century, Inc.	Tuomi Innovation Technology Co., Ltd. (Tuomi Innovation)	Operation of online social media platforms and product sales	51.00%	- %	(Note 4)
Myson Century, Inc.	Winho Tech Co., Ltd.	Information Software Services	23.34%	- %	(Note 5)
Myson Century, Inc.	Y-S Electronic	Electronic components industry	24.91%	- %	(Note 6)
Myson Century, Inc.	Great Computer Corporation (GCC)	Manufacture of computer cutting plotters and laser engraving machines	30.00%	- %	(Note 7)
Tai Bao Da	Hua Han	Insurance brokerage industry	27.00%	- %	(Note 1)
Tuomi Innovation	Lovewell International Co., Ltd.	Wholesale of Foods and Groceries	100.00%	- %	(Note 4)
Tuomi Innovation	Mituo Pet Supplies Technology Co., Ltd.	Wholesale of Foods and Groceries	100.00%	- %	(Note 4)
Tuomi Innovation	Tuowei Innovation Technology Co., Ltd.	Food Additives Manufacturing	100.00%	- %	(Note 4)
Y-S Electronic	Bravo Tech Holdings Limited (Bravo)	Investment	100.00%	- %	(Note 6)
Bravo	Yellow Sky Holdings Limited (Yellow Sky)	Investment	100.00%	- %	(Note 6)
Bravo	Centerline Holdings Limited	Sale of connecting wires, signal converters, and plastic and metal accessories items	100.00%	- %	(Note 6)
Yellow Sky	Dongguan Shendong Electronic Co., Ltd.	Manufacture of connectors, semi-finished plugs, signal converters, hubs, and plastic and metal accessories items	100.00%	- %	(Note 6)
GCC	GCC International Co., Ltd.	International Trade	100.00%	- %	(Note 7)
GCC	GCC (Kunshan) Co., Ltd. (GCC (Kunshan))	Manufacture of computer cutting plotters and laser engraving machines	100.00%	- %	(Note 7)
GCC	GCC America, Inc.	Trading of cutting machines	100.00%	- %	(Note 7)
GCC	GCC Europe B.V.	Provision of after-sales services on behalf of the parent company	100.00%	- %	(Note 7)
GCC Kunshan	GCC (HK) TRADING LIMITED	International Trade	100.00%	- %	(Note 7)
Shangyu Construction Co., Ltd.	Boromi Optronics Corp. (Boromi)	Indoor renovation/indoor decoration, and door and window installation project	100.00%	100.00%	
Shangyu Construction Co., Ltd.	Myson Century, Inc.	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	1.46%	1.89%	(Note 1)
Shangyu Construction Co., Ltd.	Feei Cherng Enterprise Co., Ltd.	Livestock breeding, bulk raw materials trading, and housing and building development and rental	0.93%	- %	(Note 1)
Boromi Optronics Corp.	Myson Century, Inc.	Food grocery retailing, construction material trading, interior decoration	- %	0.15%	(Note 1)

Notes to Consolidated Financial Statements of SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries (Cont'd)

Name of investing company	Name of Subsidiary	Nature of Business	Equity (%) 2025.12.31	Equity (%) 2024.12.31	Remarks
		services, and advertising and marketing			
Boromi Optronics Corp.	Feei Cherng Enterprise Co., Ltd.	Livestock breeding, bulk raw materials trading, and housing and building development and rental	0.81%	- %	(Note 1)
Victory Enterprises Limited	Acme International Management Inc.	Investment	100.00%	100.00%	
U-BEST Innovative Technology Co., Ltd.	Feei Cherng Enterprise Co., Ltd.	Livestock breeding, bulk raw materials trading, and housing and building development and rental	12.84%	16.88%	(Note 1)
U-BEST Innovative Technology Co., Ltd.	HSIN-LI	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	12.46%	12.64%	(Note 1)
Feei Cherng Enterprise Co., Ltd.	Sen Tai Engineering Co., Ltd.	Construction and engineering	99.94%	98.63%	
HSIN-LI	Myson Century, Inc.	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	0.53%	7.17%	(Note 1)
HSIN-LI	Feei Cherng Enterprise Co., Ltd.	Livestock breeding, bulk raw materials trading, and housing and building development and rental	1.59%	- %	(Note 1)
HSIN-LI	PRIT Applied Materials Co., Ltd. (PRIT)	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	69.67%	69.67%	(Note 2)
HSIN-LI	GCC	Manufacture of computer cutting plotters and laser engraving machines	9.92%	- %	(Note 7)

(Note 1): The consolidated company has the power to govern the personnel, financial, and operating policies of the company and therefore has obtained control over the company. Accordingly, the company has been included in the preparation of the consolidated financial statements.

(Note 2): The consolidated company acquired control over Yunkang Century and PRIT in September 2024, and accordingly, these companies became subsidiaries of the consolidated company and were included in the consolidated company of the consolidated financial statements. For related information regarding the business combination, please refer to Note VI(IX).

(Note 3): The company was originally an investment target of the consolidated company recognized under financial assets at fair value through other comprehensive income. However, as the consolidated company acquired a majority of the board seats and obtained the power to govern the personnel, financial, and operating policies of the company in January 2025, the consolidated company obtained control over the company and included it in the consolidated company of the consolidated financial statements. For related information regarding the business combination, please refer to Note VI(IX).

(Note 4): Control over Tuomi Innovation and its subsidiaries was acquired in October 2025, resulting in their becoming subsidiaries of the consolidated company. For related information regarding the business combination, please refer to Note VI(IX).

(Note 5): As the consolidated company acquired a majority of the board seats and obtained the power to govern the personnel, financial, and operating policies of the company in November 2025, the consolidated company obtained control over the company and included it in the consolidated company of the consolidated financial statements. For related information regarding the business combination, please refer to Note VI(IX).

(Note 6): The company was originally an investment target of the consolidated company recognized under investments accounted for using the equity method. However, as the consolidated company acquired a majority of the board seats and obtained the power to govern the personnel, financial, and operating policies of the company in November 2025, the consolidated company obtained control over the company and included it in the consolidated company of the consolidated financial statements. For related information regarding the business combination, please refer to Note VI(IX).

(Note 7): The company was originally an investment target of the consolidated company recognized under investments accounted for using the equity method. However, as the consolidated company acquired a majority of the board seats and obtained the power to govern the personnel, financial, and operating policies of the company in December 2025, the consolidated company obtained control over the company and included it in the consolidated company of the consolidated financial statements. For related information regarding the business combination, please refer to Note VI(IX).

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

(IV) Foreign currency

1. Foreign currency transactions

The foreign currency exchange shall be stated at the functional currency translated at the exchange rate prevailing on the date of transaction. Subsequently, at the end of each reporting period, the foreign currencies shall be translated into the functional currency based on the foreign exchange rate prevailing on the same date. Meanwhile, the non-monetary items at fair value denominated in foreign currency shall be stated at the functional currency re-translated at the exchange rate prevailing on the same date of fair value measurement, while the non-monetary items at historical cost denominated in foreign currency shall be stated at the functional currency translated at the exchange rate on the date of transaction.

The foreign currency exchange difference generated from the translation is usually stated as income, unless in the following circumstances, it shall be stated as other comprehensive income:

(1) Designated as the equity instrument at fair value through other comprehensive income;

(2) Financial liabilities designated as net investment hedge for foreign operations within the scope of effective hedging; or

(3) Qualified cash flow hedging within the scope of effective hedging.

2. Foreign operations

Assets and liabilities of foreign operations, including the goodwill and fair value adjustment generated at the time of acquisition, shall be translated into functional currency at the exchange rate prevailing on the reporting date. The adjustments to reconcile profit (loss) shall be translated into NTD at the average exchange rate in the current period, and the exchange different generated therefor shall be stated as other comprehensive income.

When disposition of foreign operations results in loss of control, common control or any material effect, the accumulated exchange difference related to the foreign operations shall be reclassified into income in whole. If the disposition involves any subsidiary of the foreign operations, the relevant accumulated exchange difference shall be reclassified into the non-controlling equity on a pro rata basis.

If no repayment program is defined with respect to receivable or payable items of foreign operations denominated in currency and it is impossible to repay the same in the foreseeable future, the foreign currency exchange gain or loss generated therefor shall be held a part of the net investment in the foreign operations and stated as other comprehensive income.

(V) Classification standard of current and non-current assets and liabilities

The consolidated company classifies assets meeting any of the following conditions as current assets, and all other assets that do not qualify as current assets are classified as non-current assets:

1. Assets expected to be realized, or intent to be sold or consumed, in the normal operating cycle. Except the real estate development business, which is subject to the business cycle longer than one year generally, the other businesses of the consolidated entities are subject to the business cycle for one year;
2. Assets primarily held for the purpose of trading;
3. Assets expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The consolidated company classifies liabilities meeting any of the following conditions as current liabilities, and all other liabilities that do not qualify as current liabilities are classified as non-current liabilities:

1. Liabilities expected to be repaid in the normal operating cycle; Except the real estate development business-related liabilities, which is subject to the business cycle longer than one year, the other liabilities of the consolidated company are subject to the business cycle for one year;
2. Liabilities primarily held for the purpose of trading;
3. The liability is due to be settled within twelve months after the reporting period; or
4. The consolidated company does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

(VI) Cash and Cash Equivalents

Cash or cash equivalents include cash on hand and demand deposits. Cash equivalents refer to highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The time deposits satisfy said definitions, and are held in order to satisfy the short-term cash commitment, not for investment or any other purposes and, therefore, are stated as cash equivalents.

(VII) Financial instruments

The accounts receivable and bond securities issued therefrom are stated when they are incurred initially. The other financial assets and financial liabilities are recognized initially when the consolidated entities becomes a party to the contract of the financial instruments. Any financial assets other than those at fair value through profit or loss (exclusive of the accounts receivable constituting major components of finance), or financial liabilities, shall be initially evaluated based on fair value, plus the transaction cost directly attributed to the acquisition or issuance. The accounts receivable constituting major components of finance shall be initially evaluated based on the transaction cost.

1. Financial assets

The purchase or disposal of financial assets classified in the same manner in customary transactions shall be subject to accounting on the date of transaction or settlement.

At the time of initial recognition, the financial assets are classified into the financial assets measured at amortized cost, investment in debt instrument at fair value through other comprehensive income, investment in equity instrument at fair value through other comprehensive income or financial assets at fair value through profit or loss. The consolidated entities would not reclassify all affected financial assets since the first date of next reporting period until it changes the financial assets management model.

(1) Financial assets measured at amortized cost

The financial assets which meet the following conditions but are not designated as those at fair value through profit or loss are measured at the amortized cost:

- The issuer holds the financial assets within a business model whose objective is to hold the financial asset to collect the contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The subsequent measurement of such assets shall be stated at the amount recognized initially, plus or minus accumulated amortizations calculated under effective interest method, and the amortized cost after adjustment on any loss provision. The interest revenue, foreign currency exchange gain or loss and impairment loss are stated into the income. The gain or loss is stated into income at the time of derecognition.

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

Investments in debt instruments are measured at fair value through other comprehensive income when both of the following conditions are met and the investments are not designated as at fair value through profit or loss:

- The issuer holds the financial assets within a business model whose objective is to hold the financial asset to collect and sell the contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments not held for trading, for which the consolidated entities have irrevocably elected at initial recognition to present changes in fair value in "other comprehensive income". Said election is made on an item-by-item basis.

The investment in debt instrument, if any, is measured at fair value subsequently. Interest income calculated using the effective interest method, foreign exchange gains or losses, and impairment losses are recognized in profit or loss, while the remaining net gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative amount recognized in other comprehensive income is reclassified to profit or loss.

The investment in equity instrument, if any, is measured at fair value subsequently. The dividend revenue is stated into income (unless it obviously represents the recovery of part of the investment). The other net profit or loss is stated into other comprehensive income, and is not reclassified into income.

The dividend revenue from equity investment is recognized on the date when the consolidated entities have the right to collect the dividend (on the ex-dividend date usually).

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

Financial assets not measured at amortized cost or measured at fair value through other comprehensive income (i.e., financial assets held for trading that with management and performance evaluation based on fair value) as mentioned above shall be measured at fair value through profit or loss, including derivative financial assets. In order to eliminate or significantly reduce the accounting mismatch at the time of initial recognition, the consolidated entities may irrevocably designate the financial assets measured at amortized cost or at fair value through other comprehensive income as those at fair value through profit or loss.

The assets shall be measured at fair value subsequently. The net profit or loss thereof (including any stock dividend and interest revenue) is stated into income.

(4) Impairment on financial assets

The consolidated entities recognize the loss provision at an amount equal to the lifetime expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, notes receivable and accounts receivable, other receivables, refundable deposits and other financial assets, etc).

The loss provision on the following financial assets is measured at an amount equal to the 12-month expected credit losses, while that on the other assets is measured at an amount equal to lifetime expected credit losses.

- The credit risk over bond securities is considered low on the reporting date; and
- The credit risk over the other bond securities and bank deposits has not increased significantly since initial recognition (namely, the risk over potential defaults within the expected lifetime of financial instruments).

Loss allowances for accounts receivable and contract assets are measured at an amount equal to lifetime expected credit losses.

The lifetime expected credit loss represents the expected credit loss on financial instruments caused by potential defaults within the expected lifetime of the instruments.

The expected credit loss within 12 months represents the expected credit loss on financial instruments caused by potential defaults within 12 months after the reporting date (or a shorter term, if the expected lifetime of the financial instrument is shorter than 12 months).

The term measured for expected credit loss is no longer than the longest contract term in which the consolidated entities are exposed to the credit risk.

When determining whether the credit risk has increased significantly since the original recognition, the consolidated entities shall consider reasonable and supportable information (readily available without undue cost or investment), including qualitative and quantitative information, and the analysis based on the consolidated entities' historical experience, credit rating and forward-looking information.

The expected credit loss refers to the weighted estimate based on the possibility of credit loss suffered by the financial instruments within the expected lifetime. The credit loss is measured based on the present value of cash short, namely the price difference between the cash flow collectible by the consolidated entities based on the contract and that expected by the consolidated entities to collect.

On each reporting date, the consolidated entities evaluate whether the financial assets measured at amortized cost and bond securities measured at fair value through other comprehensive income suffer any credit impairment. If the estimated future cash flow of the financial assets is affected adversely due to a single or multiple events occurring, the financial assets should be deemed suffering credit impairment. The evidence showing that financial assets have suffered credit impairment includes the following observable information:

- The borrower or issuer suffers significant financial difficulties.
- Default, such as delay or delinquency;
- The concession by the consolidated entities on terms that it would not consider otherwise, with the economic or contractual reasons related to the borrower's financial difficulties;
- The borrower is likely to petition for bankruptcy or other financial reorganization; or
- The disappearance of an active market for the financial assets because of financial difficulties.

The loss provisions on financial assets measured at amortized cost are deducted from the carrying amount of the assets. For the investment in debt instruments at fair value through other comprehensive income, the loss provision is charged to profit or loss and is stated into other comprehensive income (without reduction in the carrying amount of the assets).

The gross carrying amount of a financial asset is written off directly when the consolidated entities have no reasonable expectations toward recovery of a financial asset in its entirety or a portion thereof. The consolidated entities individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation toward recovery. The consolidated entities expect no significant reversal from the amount written off. However, financial assets that are written off could still be subject to compulsory execution, in order to comply with the consolidated entities' procedures for recovery of overdue amounts.

(5) Derecognition of financial assets

The consolidated entities derecognize a financial asset when the contractual rights to the cash flows from the financial asset are terminated, or transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the consolidated entities neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control over the financial asset.

The consolidated entities enter into transactions whereby it transfers assets recognized in its balance sheet, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets shall still be stated into the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity transactions

The equity instruments refer to any contracts signifying the consolidated entities' residual equity after their assets less all of their liabilities. The equity instruments issued by the consolidated entities are recognized at the amount after the payment of acquisition less the direct issue cost.

(3) Treasury stock

When the equity instruments recognized by the Company are repurchased, the consideration paid by it (including directly attributable cost) is stated as the decrease in equity. The repurchased shares are classified as the treasury stocks. The amount collected from subsequent sale or re-issue of the treasury stocks is recognized as the increase in equity. Meanwhile, the surplus or loss generated from the transaction is recognized as the capital surplus or retained earnings (if the capital surplus is insufficient for the write-off).

(4) Compound financial instruments

The compound financial instruments issued by the consolidated company refer to the convertible corporate bonds (denominated in NTD) which the holders may choose to convert into capital stock. The number of shares issued therefor remains unaffected by any changes in the fair value of such instruments.

The components of labilities of compound financial instruments are initially measured at the fair value of the similar liabilities excluding the right to convert equity. The components of equity are initially measured at the price difference between the fair value of the entire compound financial instruments and fair value of the components of liabilities. Any directly attributable transaction cost is allocated to the components of liabilities and equity, subject to the proportion of the original carrying amount of liabilities and equity.

Upon the initial recognition, the components of liabilities of compound financial instruments are measured at the amortized cost using the effective interest method. The components of equity of compound financial instruments are not re-measured upon the initial recognition.

The interest related to financial liabilities is stated into income. The financial liabilities are reclassified into the equity at the time of conversion. The conversion is not stated into income.

(5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading or derivative, or designated as such at the time of initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the net gains and losses, including any interest expenses, are stated into income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are stated into income. Any gain or loss on derecognition is also stated into income.

(6) Derecognition of financial liabilities

The consolidated entities derecognize a financial liability when their contractual obligations are discharged or cancelled, or expired. The consolidated entities also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability and the total consideration paid or to be paid (including any non-cash assets transferred or liabilities assumed) is stated into income.

(7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the consolidated entities currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(VIII) Inventory

1. Building industry

Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase and other costs that meet the requisite asset capitalization as incurred in bringing the inventories to a useable location and condition.

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs for completion of the project and for completion of the sale. The net realizable value is verified in the following manners:

(1) Land for construction: The net realizable value is based on the competent authority's estimate made subject to the current market condition.

(2) Building under construction: The net realizable value is the estimated selling price (subject to the current market condition) less the estimated costs for completion of the project and selling expenses.

(3) Available-for-sale house: The net realizable value is the estimated selling price (estimated by the competent authority subject to the current market condition) less the estimated costs generated at the time of sale of the real estate and selling expenses.

2. Manufacturing industry

Inventories are measured at the lower of cost or net realizable value. The cost consists of all costs of purchase, production or processing and other costs as incurred in bringing the inventories to a useable location and condition.

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs for completion of the project and for completion of the sale.

3. Trading business

Inventories are measured at the lower of cost or net realizable value. Cost includes all necessary costs incurred in bringing the inventories to a saleable condition and is determined using the weighted-average method.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

(IX) Investment in associates

Associates are those entities in which the consolidated entities has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the consolidated entities' share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the consolidated entities, from the date on which significant influence commences until the date on which significant influence ceases. The consolidated entities recognize any changes of their shareholdings in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from transactions between the consolidated company and its affiliates are recognized in the financial statements only to the extent that they are unrelated to the consolidated company's interests in the affiliates. When the consolidated entities' share of losses of an associate equals or exceeds their interests in the associate, they discontinue recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the consolidated entities have incurred legal or constructive obligations or made payments on behalf of the associate.

The consolidated company discontinues the use of the equity method from the date its investment ceases to be an affiliate and measures any retained interest at fair value. The difference between the fair value of the retained interest and disposal proceeds and the carrying amount of the investment on the date the equity method is discontinued is recognized in current profit or loss. For all amounts previously recognized in other comprehensive income in relation to the investment, the accounting treatment is based on the same basis that would be required if the affiliate had directly disposed of the related assets or liabilities. Accordingly, if gains or losses previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) upon disposal of the related assets or liabilities, such gains or losses are reclassified from equity to profit or loss (or retained earnings) when the entity discontinues the use of the equity method. If the consolidated company's ownership interest in an affiliated company is reduced while the equity method continues to be applied, the consolidated company reclassifies the gains or losses previously recognized in other comprehensive income in relation to the reduction in ownership interest proportionately in accordance with the abovementioned treatment.

If an investment of the consolidated company in an affiliated company becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an affiliated company, the consolidated company continues to apply the equity method without remeasuring the retained interest.

When an affiliated company issues new shares and the consolidated company does not subscribe in proportion to its shareholding percentage, resulting in a change in its ownership interest and a corresponding increase or decrease in the equity carrying amount of the investment, such increase or decrease is adjusted against capital reserve and investments accounted for using the equity method. If the adjustment reduces capital reserve and the balance of capital reserve arising from investments accounted for using the equity method is insufficient, the difference is debited to retained earnings. However, if the consolidated company's ownership interest in an affiliated company is reduced due to its failure to subscribe in proportion to its shareholding percentage, the amounts previously recognized in other comprehensive income in relation to the affiliated company are reclassified proportionately in accordance with the reduction. The accounting treatment is based on the same basis that would be required if the affiliate had directly disposed of the related assets or liabilities.

(X) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is stated into income.

Rental income from investment property is recognized as operating revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(XI) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is stated into income.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the consolidated entities.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is stated into income on a straight-line basis over the estimated useful lives of each component of property, plant and equipment.

No depreciation is provided for land.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1) Land improvement	7 - 15 years
(2) Building and structure	1 - 60 years
(3) Machine and equipment	2 - 18 years
(4) Other equipment	1 - 30 years

Depreciation methods, useful lives and residual values are reviewed by the consolidated entities at each reporting date, and adjusted if necessary.

(XII) Lease liabilities

At inception of a contract, the consolidated entities assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. As a lessee

The consolidated entities recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Additionally, the consolidated entities periodically assess whether the right-of-use asset is impaired and deal with any impairment loss as incurred, and adjust such asset in response to certain remeasurements of the lease liability, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease that may be reliably determined, or the consolidated entities' incremental borrowing rate, if that rate cannot be reliably determined. Generally, the consolidated entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(1) Fixed payments, including substantive fixed payments;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) Amounts expected to be payable under a residual value guarantee; and
(4) Payments for purchase options, or fine for termination options, that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(1) There is a change in future lease payments arising from the change in an index or rate applied to decide the lease payments; or

(2) There is a change in the consolidated entities' estimate of the amount expected to be payable under a residual value guarantee; or

(3) There is a change of its assessment on whether it will exercise an option to purchase the underlying asset;

(4) There is a change in the lease term resulting from a change of its assessment on whether it will exercise a extension or termination option; or

(5) There are any amendments to the subject matter, scope or other terms of the lease.

When the lease liability is remeasured due to the change in an index or rate applied to decide the lease payments, the change in the estimate of the amount expected to be payable under a residual value guarantee and the change of the assessment on whether it will exercise a purchase, extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, and the residual remeasured amount is stated into the income when the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the consolidated entities account for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and state into income any gain or loss relating to the partial or full termination of the lease.

The consolidated entities present right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheet.

The consolidated company have elected not to recognize right-of-use assets and lease liabilities for short-term leases of employee dormitory, parking lots, office premises and other equipment and leases of low-value assets. The consolidated company recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. As a lessor

When the consolidated entities act as a lessor, they make an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset at the lease commencement. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the consolidated entities consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(XIII) Intangible assets

1. Recognition and measurement

The goodwill arising from the consolidated entities' acquisition of any subsidiary is measured at the cost less accumulated impairment.

The consolidated company measures acquired computer software and other intangible assets with finite useful lives at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is stated into income as incurred.

3. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1) Cost of computer software	1 - 5 years
(2) License	10 years
(3) Trademark rights	10 years
(4) Proprietary technology	10 years
(5) Customer relationships	3 - 15 years
(6) Others	3 - 11 years

Depreciation methods, useful lives and residual values of intangible assets are reviewed by the consolidated entities at each reporting date, and adjusted if necessary.

(XIV) Impairment on non-financial assets

At each reporting date, the consolidated company review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the recoverable amount of an asset or CGU is lower than its carrying amount.

Impairment losses are stated into income immediately. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(XV) Provision for liabilities

Provision for liabilities are recognized when the consolidated company has a present obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provision for liabilities are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, and the unwinding of the discount is recognized as interest expense.

Warranty provisions are recognized upon the sale of goods or services and are measured based on historical warranty data and all possible outcomes weighted by their associated probabilities.

(XVI) Recognition of revenue

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the consolidated entities expect to be entitled in exchange for transferring goods or services to a customer. The consolidated entities recognize revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the consolidated entities' main types of revenue are explained below:

(1) Sale of products

The consolidated entities recognize revenue at the time when its control over the products is transferred. The transfer of control over the products means that the products have been delivered to customers. Customers may decide the sales channels and price of the products to their sole discretion, and no such problem about failure to perform obligation that might affect customers' acceptance of the products is existing. The delivery takes place when the products are shipped to the specific location and the risk over out-of-date and loss has been passed on to the customers, and customers accept the products per the sales contract, the inspection and acceptance terms are expired, or the consolidated entities believe based on objective evidence that all inspection and acceptance terms have been satisfied. In addition, when the consolidated company does not obtain control of specific goods before they are transferred to customers, revenue is recognized on a net basis.

The consolidated entities recognize accounts receivable when delivering the products, as the consolidated entities has the right to collect consideration unconditionally at that moment. Contract liabilities mainly arise from advance receipts under sales contracts, and the consolidated company recognizes them as revenue when the products are delivered to customers.

(2) Sales of real estate

The consolidated entities engage in sale of real estate, and frequently the pre-sale of real estate during or before the construction. The consolidated entities recognize revenue at the time when their control over the real estate is transferred. Subject to the contractual requirements, for the consolidated entities, the real estate generally is not intended for any other purposes. For identification of the year which the income from completion and settlement should be attributed to, the consolidated entities consider the control transferred upon completion and settlement of the project and also registration of transfer of the title, and then recognize the revenue.

The revenue is measured at the transaction cost per the contract. In the case of pre-sale real estate, the payment is generally collected in installments from execution of the contract until the real estate is transferred to customers. The earned receipts are recognized as the contract liabilities. The interest expenses and contract liabilities are recognized when the impact posed by time value of money is adjusted. The amount of accumulated contract liabilities is restated as revenue when the real estate is transferred to customers.

(3) Lease revenue

The consolidated company holds investment property for the purpose of earning rental income, which is recognized on a straight-line basis over the lease term in accordance with the lease agreements.

(4) Revenue from selling electricity

It is recognized based on the actual electricity sold and the applicable rates charged.

(5) Financing components

The consolidated entities do not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer for the goods or services exceeds one year. Meanwhile, the consideration for the commitment under real estate sales contracts and the present sale value are not indifferent, and are free from significant financing factors; therefore, no significant financial components exist. As a consequence, the consolidated entities do not adjust any of the transaction prices for the time value of money.

2. Customer contract cost

(1) Incremental costs of obtaining a contract

The consolidated entities recognize as an asset the incremental costs of obtaining a contract with a customer if the consolidated entities expect to recover those costs. The incremental costs of obtaining a contract are those costs that the consolidated entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The consolidated entities apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entities otherwise would have recognized is one year or less.

(2) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 "Inventories," IAS 16 "Property, Plant and Equipment" or IAS 38 "Intangible Assets"), the consolidated entities recognize an asset from the costs incurred to fulfill a contract only if the costs relate directly to a contract or to an anticipated contract that the consolidated entities can specifically identify, the costs generate or enhance resources of the consolidated entities that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the consolidated entities cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the consolidated entities recognize these costs as expenses when they are incurred.

(XVII) Operating expenses

The commission expenditure that is incurred for pre-sale of real estate is stated as prepaid sales expenses at first when it is incurred, and then deferred, based on the principle of matching costs with revenues, and re-stated as current expenses when the house sale revenue is acknowledged.

(XVIII) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are stated as the employee benefit expenses under the title of income as the related service is provided.

2. Defined benefit plans

The consolidated entities' net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the consolidated entities, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and any changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The consolidated entities determine the net interest expense (revenue) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are stated into income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is stated into income immediately. The consolidated entities recognize gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the consolidated entities have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(XIX) Share-based payment transactions

The transaction is share-based payment for settlement of equity. Under the share-based payment agreement, the fair value of equity instruments on the date of granting are recognized as expenses and the equity shall be increased relatively during the vested period for the remuneration. The recognized expenses are adjusted based on the quantity of remuneration expected to meet service conditions and non-market value vested conditions. The amount recognized ultimately is measured based on the quantity of remuneration expected to service conditions and non-market value vested conditions on the vested date.

The non-vested conditions related to share-based payment has been reflected in the measurement of fair value on the grant date of share-based payment. It is not necessary to verify or adjust the difference between the expectation and actual result.

When the consolidated entities carry out cash capital increase to reserve shares available to employees for subscription, the date of granting means the record date when the Board of Directors approves the capital increase. When issuing employee stock warrants, the date of granting means the date when the number of shares which the employees subscribe for is verified.

(XX) Income tax

Income tax comprises current and deferred income taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred income taxes shall be stated into income.

The current income tax comprises the expected tax payable or receivable on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount is the best estimate of the tax amount expected to be paid or received as measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are measured at and recognized based on the temporary differences between the carrying amount of assets and liabilities on the reporting date and its tax bases. except in the following circumstances, no deferred income tax shall be recognized:

1. Assets or liabilities initially recognized not for business combination transactions that (i) do not affect accounting profits and taxable income (losses) and (ii) do not generate equivalent taxable and deductible temporary differences at the time of transactions;
2. Temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the consolidated entities are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities may be offset against each other by the consolidated entities only when the following conditions are met:

1. When the consolidated entities have a legally enforceable right to offset the current income tax assets against current income tax liabilities; and
2. The deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) The same taxable entity; or
   (2) Different taxable entities which intend to settle current income tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(XXI) Business combination (including acquisition of a business)

The consolidated entities account for business combinations using the acquisition method. The goodwill arising from an acquisition is measured at the fair value of the transfer consideration on the date of acquisition, including the amount of non-controlling equity vested in the acquiree, less the identifiable assets as acquired and liabilities as assumed (generally the fair value). If the amount calculated above is a deficit balance, the consolidated entities state that amount as the gain recognized in bargain purchase transaction into income immediately after reassessing whether they have correctly identified all of the assets acquired and all of the liabilities assumed.

All transaction costs related to business combination are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the consolidated company measure any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest' s proportionate share of the acquiree' s identifiable net assets, if the acquiree's non-controlling equity is present ownership interest and entitle their holders to a proportionate share of the consolidated company' net assets in the event of liquidation. Other components of non-controlling equity are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

In a business combination achieved in stages, the consolidated company remeasures its previously held equity interest in the acquiree at fair value on the acquisition date, and any resulting gain or loss is recognized in profit or loss. Amounts previously recognized in other comprehensive income before the acquisition date arising from changes in the value of the acquiree's equity interests are accounted for in the same manner as would be required if the consolidated company had directly disposed of its previously held equity interests. If such amounts would be reclassified to profit or loss upon disposal of the equity interests, they are reclassified to profit or loss.

If the original accounting treatment of business combination has not been completed by the end of the reporting period in which the combination transaction occurs, the consolidated entities recognize the accounting titles which have not yet been completed based on provisional amounts, and during the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect the obtained new information about the facts and circumstances that existed on the acquisition date. The measurement period shall be no more than one year as of the acquisition date.

(XXII) Earnings per share

The consolidated company disclose the Company's basic and diluted earnings per share attributed to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributed to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit or loss attributed to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The consolidated entities' potentially dilutive ordinary shares include convertible corporate bonds, employee stock options, and employee remuneration that may be allocated in the form of stocks.

(XXIII) Segment information

An operating segment is a component of the consolidated entities that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the consolidated entities). Operating results of the operating segment are regularly reviewed by the consolidated entities' chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment has standalone financial information.

V. Significant accounting judgments, and major sources of estimation and assumption uncertainty

In preparing these consolidated financial statements, management is required to make judgments and estimates regarding the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from estimates.

Management continuously reviews the estimates and underlying assumptions, which are consistent with the consolidated company's risk management and climate-related commitments. Changes in accounting estimates are recognized prospectively in the period of the change and in future periods affected thereby.

The information about the accounting policies requiring significant judgment and rendering significant effects to the amounts recognized in the consolidated financial statements in order to judge whether the investee has substantial control:

As of December 31, 2025, the consolidated company held 19.16% of the voting shares of Myson Century, Inc. and was its single largest shareholder, while the remaining 80.84% shareholding was not concentrated among specific shareholders. As the consolidated company has the power to govern the personnel, financial, and operating policies of the company, it has obtained control over the company.

As of December 31, 2025, the consolidated company held 12.46% of the voting shares of HSIN-LI and was its single largest shareholder, while the remaining 87.54% shareholding was not concentrated among specific shareholders. As the consolidated company has the power to govern the personnel, financial, and operating policies of the company, it has obtained control over the company.

As of December 31, 2025, the Chairman of the consolidated company and the consolidated company held 18.49% and 26.12% of the voting shares of Feei Cherng, respectively, and were its largest and second largest shareholders, respectively, while the remaining 55.39% shareholding was not concentrated among specific shareholders. As the consolidated company has the power to govern the personnel, financial, and operating policies of the company, it has obtained control over the company.

As of December 31, 2025, the consolidated company held 12.64% of the voting shares of U-BEST and was its single largest shareholder, while the remaining 87.36% shareholding was not concentrated among specific shareholders. As the consolidated company has the power to govern the personnel, financial, and operating policies of the company, it has obtained control over the company.

The information about the uncertainty in the following hypotheses and estimates that result in the significant risk over significant adjustment on the carrying amount of assets and liabilities in next fiscal year; its relevant information are as follows:

(I) Inventory valuation

As the inventory shall be measured at the lower of the cost and net realizable value, the consolidated entities evaluate the amounts of inventory which suffers normal wear and tear, is outdated, or becomes unmarketable at the reporting date, and writes off the inventory cost to the net realizable value. Manufacturing industry: Sales of related products may fluctuate significantly due to changes in market supply and demand and products becoming obsolete or no longer meeting market demand; construction business: The real estate industry requires substantial capital investment and has a long capital recovery period. Considering that the inventory valuation is estimated based on the demand for products in the future specific period, significant changes might result from the rapid industrial transformation and the effects posed by politics, economy and real estate tax systems. For the estimation of inventory valuation, please refer to Note VI(VII) for details.

(II) Acquisition of subsidiary

The fair values of the identifiable net assets acquired by the consolidated company through the acquisition of subsidiaries are provisional amounts, and the final valuation of such assets has not yet been completed. The consolidated company will continue to review the final valuation of the abovementioned assets during the measurement period. If any new information about facts and circumstances already existing on the date of acquisition as obtained within one year as of the date of acquisition may identify the adjustment on said provisional amount or additional liability allowance existing on the date of acquisition, the accounting treatment of acquisition will be modified. Please refer to Note VI(IX).

VI. Explanation of important accounting titles

(I) Cash and Cash Equivalents

	2025.12.31	2024.12.31
Cash and petty cash	$ 4,002	1,626
Check deposits and demand deposits	2,873,305	1,616,695
Time deposits	30,165	13,631
Cash and cash equivalents in Consolidated Cash Flow Statement	**$ 2,907,472**	**1,631,952**

Please refer to Note VI(XXXI) for the analysis on interest rate risk and sensitivity of the consolidated company's financial assets and liabilities.

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

	2025.12.31	2024.12.31
Financial assets mandatorily measured at fair value through profit or loss - non-current		
Stocks listed on TWSE/TPEx	$ 18,708	27,918
Beneficiary certificate	-	104,842
Embedded derivatives - put option/right of redemption for convertible corporate bonds	-	1,401
	$ 18,708	**134,161**
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Stocks listed on TWSE/TPEx	$ 365,681	382,809
Stocks unlisted on TWSE/TPEx	6,302	7,200
Embedded derivatives - put option/right of redemption for convertible corporate bonds	395	3,732
	$ 372,378	**393,741**
Financial liabilities mandatorily measured at fair value through profit or loss - non-current		
Embedded derivatives - put option/right of redemption for convertible corporate bonds	**$ 1,076**	**-**

For the amount remeasured at fair value and then stated into income and gains on disposal of financial assets at fair value through profit or loss, please refer to Note VI(XXX).

As Lehman Brothers Holdings Inc. and Lehman Brothers Treasury Co. B.V. petitioned for bankruptcy and the related legal procedures were pending, the carrying amount of the "monthly income USD-denominated structured bonds" held by the consolidated entities has been adjusted as NT$0 thousand.

The consolidated company recognized the gains on reversal, NT$21 thousand and NT$23 thousand, as a result of the redemption of certain structured notes by the First Commercial Bank in 2025 and 2024, stated into other gains and losses in the Consolidated Statement of Comprehensive Income.

The consolidated company recognized the dividend revenues, NT$13,317 thousand and NT$12,825 thousand, as a result of said financial liabilities mandatorily measured at fair value through profit or loss in 2025 and 2024.

In December 2025, the consolidated company obtained approval from the Board of Directors to conduct a tender offer for the common shares of EVER-CLEAR ENVIRONMENTAL ENG. CORP. (hereinafter referred to as "EVER-CLEAR"), and remitted the planned acquisition consideration of NT$455,001 thousand into the tender offer account. As of December 31, 2025, the conditions for the tender offer had been satisfied; however, the share transfer procedures had not yet been completed. Accordingly, the amount was presented under prepayments for investments. The abovementioned transaction was completed on January 6, 2026, and subsidiary Myson Century, Inc.acquired a 46% equity interest in EVER-CLEAR.

For information regarding the market risks associated with the abovementioned financial assets, please refer to Note VI(XXXI).

The consolidated entities' financial assets at fair value through profit or loss were pledged as collateral; for details, please refer to Note VIII.

(III) Financial assets at fair value through other comprehensive income - non-current:

	2025.12.31	2024.12.31
Debt instruments measured at fair value through other comprehensive income:		
Foreign bond investments	$ 10,345	10,318
Equity instruments measured at fair value through other comprehensive income:		
Stocks unlisted on TWSE/TPEx	69,737	67,646
	$ 80,082	**77,964**

The consolidated company assessed that the foreign bond investments were held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and therefore presented them under financial assets at fair value through other comprehensive income.

The consolidated entities hold such investments in equity instruments for long-term strategic investments, and they are not held for transaction purposes; therefore, they are designated as measurement at fair value through other comprehensive income.

During 2025, the consolidated company disposed of equity instruments designated as at fair value through other comprehensive income due to changes in its investment strategy. The fair value at the time of disposal was NT$50,220 thousand, and the cumulative gain on disposal was NT$0 thousand.

The consolidated company did not dispose of any strategic investments during 2024, and no cumulative gains or losses were transferred within equity during the period.

The consolidated company recognized the dividend revenues, NT$250 thousand and NT$150 thousand, respectively as a result of the above investment in equity instruments designated at fair value through other comprehensive income in 2025 and 2024.

For the information about credit risk and market risk, please refer to Note VI(XXXI).

The consolidated company's financial assets at fair value through other comprehensive income were not pledged as collateral.

(IV) Financial assets measured at amortized cost

		2025.12.31	2024.12.31
Current:			
Time deposits with original maturities exceeding three months	$	1,199,795	289,623
Non-current:			
Restricted time deposits	$	-	4,000
Time deposits with maturities of more than one year		58,158	-
Foreign government bonds		182,809	148,653
	$	240,967	152,653

The consolidated entities evaluated that the assets should be held to maturity to collect the contractual cash flow. Besides, the cash flow from the financial assets are solely payments of principal and interest on the principal amount outstanding. Therefore, the same are stated as the financial assets measured at amortized cost.

As of December 31, 2025 and 2024, the consolidated company had invested in foreign government bonds with face values of US$5,800 thousand and US$4,500 thousand, respectively, coupon rates ranging from 4.25% to 4.625% and 4.625%, respectively, and effective interest rates ranging from 4.196% to 4.449% and 4.449%, respectively.

For the information about credit risk, please refer to Note VI(XXXI).

The above financial assets were pledged as collaterals; for details, please refer to Note VIII.

(V) Notes receivable and accounts receivable

		2025.12.31	2024.12.31
Notes receivable - from operations	$	62,657	24,426
Accounts receivable		517,077	206,292
Accounts receivable - related party		10	21
Less: Loss provision		(9,053)	(437)
	$	570,691	230,302

The consolidated entities apply the simplified approach to provide for its expected credit losses on all notes receivable and accounts receivable, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, the notes receivable and accounts receivable have been grouped based on shared credit risk characteristics in terms of customers' ability to pay all due amounts according to contract terms and conditions, as well as incorporated forward looking information.

The expected credit loss analysis on the consolidated entities' notes receivable and accounts receivable is as follows:

	2025.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 551,490	0%~1.40%	1,703
Overdue for less than 30 days	18,145	0%~1.40%	105
31 to 90 days past due	256	0%~1.40%	1
91 to 240 days past due	2,971	0.71%~50%	355
241 to 365 days past due	139	0.74%~100%	139
Overdue for more than 365 days	6,743	100%	6,743
Total	**$ 579,744**		**9,046**

	2024.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 230,389	-	-
31 to 60 days past due	4	-	-
Overdue for more than 181 days	346	100%	346
Total	**$ 230,739**		**346**

Changes in loss provision for the consolidated entities' notes receivable and accounts receivable are as follows:

	2025	2024
Balance, beginning	$ 437	-
Reversal of impairment loss	(9)	(580)
Effect of initial consolidation of subsidiaries	8,938	1,017
Amount written off due to non-recoverability during the period	(350)	-
Effect of exchange rate changes	37	-
Balance, ending	**$ 9,053**	**437**

The consolidated entities receive certificates of deposits from customers for customers to create property mortgage for the consolidated entities as the collateral for notes and accounts receivable; the breakdown is as follows:

Item	2025.12.31	2024.12.31
Certificates of deposit	$ 1,300	1,300
Maximum amount for the creation of property mortgage	7,000	7,000

For other information about credit risk, please refer to Note VI(XXXI).

(VI) Other receivables

	2025.12.31	2024.12.31
Other receivables - related party	$ 171	261
Other receivables - others	77,123	9,368
Less: Loss provision	-	-
	$ 77,294	**9,629**

For the information about credit risk, please refer to Note VI(XXXI).

(VII) Inventory

	2025.12.31	2024.12.31
Manufacturing industry:		
Raw materials and consumables	$ 280,224	240,287
Work in process	109,620	46,760
Finished goods	94,213	34,220
Merchandises	133,070	20,606
Merchandises in transit	3,560	-
Subtotal	620,687	341,873
	2025.12.31	**2024.12.31**

		2025.12.31	2024.12.31
Building industry:			
Land for construction			
Construction land		2,758,140	2,973,160
Land for transfer floor area		5,020	5,020
		2,763,160	2,978,180
Land under construction		3,631,740	2,826,539
Building under construction		1,845,516	1,771,919
Available-for-sale house		2,073,251	2,024,702
Available-for-sale land		407,320	319,970
Prepayments for land		82,856	38,200
Subtotal		8,040,683	6,981,330
Total	$	11,424,530	10,301,383

Cost of goods sold of the continuing operations is detailed below:

		2025	2024
Transfer of inventories due to sales	$	2,067,957	990,976
Renovation project costs		18,766	-
Loss on inventory price decline (gain on price recovery)		103,245	(19,479)
Loss on idle capacity		34,910	22,458
Inventory scrap losses		-	374
Revenue from sale of scraps		(8,867)	(986)
Net inventory loss		2,283	58
Investment property depreciation expenses		9,111	9,271
Commission costs		414,985	-
Others		45,731	7,610
	$	2,688,121	1,010,282

For the amount of capitalized interest, please refer to Note VI(XXX). The annual interest rates of capitalization were 2.775% to 3.3% and 2.3% to 3.105% in 2025 and 2024.

For the consolidated company's inventories pledged as collaterals, please refer to Note VIII.

(VIII) Investment under equity method

Investments accounted for using the equity method by the consolidated company as of the reporting date are as follows:

	2025.12.31
Associate	$ 132,297

The financial information about the consolidated company's affiliates under equity method not important to the consolidated company individually is summarized as follows. Said financial information refers to the figures included into the consolidated company's consolidated financial statements:

	2025.12.31
Summarized total carrying amount of the equity of individual unimportant associates, ending	$ 132,297

	2025
Share attributed to the consolidated entities:	
Net loss for the current period from continuing operations	$ (3,398)
Other comprehensive income	(3,642)
Total comprehensive income	$ (7,040)

The consolidated company's investment under equity method has never been pledged as collateral.

(IX) Business combination

1. Acquisition of the subsidiary - PRIT

For the needs of its operational development strategy, the consolidated company acquired a 69.67% equity interest in PRIT in September 2024 for cash consideration of NT$558,780 thousand, thereby obtaining control over the company. PRIT has been included in the consolidated company since the date control was obtained. PRIT is principally engaged in the manufacture and sale of synthetic leather and plastic leather.

The acquisition consideration, assets acquired and liabilities assumed on the acquisition date, and the amount of gain recognized from a bargain purchase are as follows:

(1) Acquisition consideration

	Amount
Cash	$ 558,780

(2) Identifiable net assets acquired and liabilities assumed

Details of the fair values of the identifiable assets acquired and liabilities assumed of PRIT on the acquisition date are as follows:

Item	Amount
Cash and Cash Equivalents	$ 92,884
Financial assets measured at amortized cost-current	46,257
Notes and accounts receivable, net	159,829
Other receivables	1,110
Income tax assets for the current period	342
Inventory	250,772
Other current assets	12,395
Other financial assets - current	28,251
Financial assets at fair value through other comprehensive income - non-current:	10,637
Property, plant and equipment	1,442,530
Right-of-use assets	81,630
Deferred income tax assets	14,858
Other non-current assets	13,589
Refundable deposits	352
Short-term loans	(168,638)
Notes and accounts payable, net	(169,763)
Other payables	(45,342)
Lease liability - current	(6,701)
Long-term loan (including the current portion)	(82,000)
Other current liabilities	(1,248)
Deferred income tax liabilities	(15,565)
Lease liability - non-current	(86,927)
Deposits received	(230)
Fair value of identifiable net assets	**$ 1,579,022**

(3) Gain recognized in bargain purchase transaction

The gain recognized in bargain purchase transaction due to acquisition is detailed as follows:

Item	Amount
Acquisition consideration - cash	$ 558,780
Add: Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	478,917
Less: Fair value of identifiable assets acquired and liabilities assumed	(1,579,022)
Gain recognized in bargain purchase transaction	**$ (541,325)**

(4) The purchase price allocation report for the abovementioned acquisition was obtained in April 2025, and the provisional amounts from the acquisition date and the comparative period consolidated financial statements were retrospectively adjusted. The impacts on the affected line items are as follows:

	2024.12.31		
Affected items	**Amount before adjustment**	**Effect amount**	**Amount after adjustment**
Property, plant and equipment	$ 2,069,075	923,399	2,992,474
Intangible assets	278,638	(92,422)	186,216
Deferred income tax assets	27,607	1,053	28,660
Deferred income tax liabilities	66,768	14,811	81,579
Undistributed earnings	(322,437)	9,829	(312,608)
Non-controlling equity	4,798,404	807,390	5,605,794

	2024		
Affected items	**Amount before adjustment**	**Effect amount**	**Amount after adjustment**
Gain recognized in bargain purchase transaction	$ 1,761	541,325	543,086

2. Acquisition of the subsidiary - Yunkang Century

For the needs of its operational development strategy, the consolidated company acquired a 100% equity interest in JUKANG LIFE CO., LTD. (hereinafter referred to as "JUKANG LIFE") in September 2024 for cash consideration of NT$22,500 thousand, thereby obtaining control over the company. JUKANG LIFE has been included in the consolidated company since the date control was obtained. The company changed its name to Yunkang Century Co., Ltd. (hereinafter referred to as "Yunkang Century") on October 24, 2024. Yunkang Century is principally engaged in the wholesale of food groceries and related businesses. The relevant equity transfer has been completed, and the transaction consideration was fully paid in September 2024.

From the acquisition date to December 31, 2024, Yunkang Century contributed revenue of NT$52,371 thousand and net profit of NT$22,073 thousand, respectively. If this acquisition had occurred on January 1, 2024, management estimates that the consolidated company's revenue and net profit for the current period would have increased (decreased) by NT$33,621 thousand and (NT$32,738) thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2024, and that the provisional fair value adjustments arising on the acquisition date were the same.

The acquisition consideration, assets acquired and liabilities assumed on the acquisition date, and the amount of goodwill recognized are as follows:

(1) Acquisition consideration

	Amount
Cash	$ 22,500

(2) Identifiable net assets acquired and liabilities assumed

Details of the fair values of the identifiable assets acquired and liabilities assumed of Yunkang Century on the acquisition date are as follows:

Item	Amount
Cash and Cash Equivalents	$ 2,908
Net accounts receivable	1,470
Other receivables	808
Income tax assets for the current period	180
Inventory	3,942
Prepayments	839
Other current assets	1
Financial assets measured at amortized cost - non-current	4,000
Property, plant and equipment	25
Right-of-use assets	1,948
Intangible assets	4,907
Deferred income tax assets	177
Other non-current assets	2,560
Contract liability - current	(32,318)
Accounts payable	(695)
Other payables	(858)
Lease liability - current	(1,163)
Other current liabilities	(290)
Deferred income tax liabilities	(981)
Lease liability - non-current	(794)
Fair value of identifiable net assets	$ (13,334)

(3) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Acquisition consideration - cash	$ 22,500
Less: Fair value of identifiable assets acquired and liabilities assumed	(13,334)
Goodwill	**$ 35,834**

The goodwill is primarily generated from Yunkang Century's profitability in the future market development. As the effect fails to satisfy the recognition conditions on identifiable intangible assets, it is not stated separately from the goodwill. no income tax effect is expected to be produced by the recognized goodwill.

3. Acquisition of the subsidiary - Hua Han

For the needs of its operational development strategy, the consolidated company acquired a majority of the board seats of Hua Han and obtained the power to govern the personnel, financial, and operating policies of the company on January 3, 2025, thereby obtaining control and including it in the consolidated company. The company is principally engaged in insurance brokerage services.

From the acquisition date to December 31, 2025, Hua Han contributed revenue of NT$481,281 thousand and net profit of NT$19,194 thousand, respectively.

(1) Identifiable net assets acquired and liabilities assumed

Details of the fair values of the identifiable assets acquired and liabilities assumed of Hua Han on the acquisition date are as follows:

Item	Amount
Cash and Cash Equivalents	$ 37,570
Financial assets at fair value through profit or loss - current	270
Notes and accounts receivable, net	1,833
Other receivables	65,333
Prepayments	1,941
Other current assets	84
Property, plant and equipment	105,503
Right-of-use assets	14,489
Intangible assets	1,737
Deferred income tax assets	630
Other non-current assets	3,827
Notes payable	(55)
Accounts payable	(397)
Other payables	(60,608)
Current income tax liabilities	(2,923)

Item	Amount
Other current liabilities	(3,037)
Long-term loan (including the current portion)	(33,739)
Deferred income tax liabilities	(9,450)
Lease liabilities (including current portion)	(14,030)
Fair value of identifiable net assets	**$ 108,978**

(2) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Fair value of previously held equity interest in the acquirer	$ 50,220
Add: Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	94,266
Less: Fair value of identifiable assets acquired and liabilities assumed	(108,978)
Goodwill	**$ 35,508**

4. Acquisition of the subsidiary, Tuomi Innovation

For the purpose of business development strategy, the consolidated company acquired a 51% equity interest in Tuomi Innovation in October 2025 for a cash consideration of NT$30,000 thousand, thereby obtaining control over the company. The consolidated company has included Tuomi Innovation in the consolidated entity from the date control was obtained. Tuomi Innovation is primarily engaged in social networking media operations and merchandise sales.

From the acquisition date to December 31, 2025, Tuomi Innovation contributed revenue of NT$116,592 thousand and net profit of NT$1,290 thousand, respectively. If this acquisition had occurred on January 1, 2025, management estimates that the consolidated company's revenue and net profit for the current period would have increased by NT$33,621 thousand and NT$8,663 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025, and that the provisional fair value adjustments arising on the acquisition date were the same.

The acquisition consideration, assets acquired and liabilities assumed on the acquisition date, and the amount of goodwill recognized are as follows:

(1) Acquisition consideration

	Amount
Cash (including contingent consideration with a fair value of NT$0 thousand)	**$ 30,000**

Under the contingent consideration arrangement, if the following conditions are met, the consolidated company is required to pay up to NT$60,000 thousand:

(1) If the pre-tax profit based on the self-prepared financial statements reaches NT$30,000 thousand or more within one year from the contract signing date, NT$30,000 thousand shall be paid. If it is less than NT$30,000 thousand, the

payment amount shall be reduced proportionally.

(2) If the pre-tax profit based on the self-prepared financial statements reaches NT$30,000 thousand or more in the second year from the contract signing date, NT$30,000 thousand shall be paid. If it is less than NT$30,000 thousand, the payment amount shall be reduced proportionally.

(2) Identifiable net assets acquired and liabilities assumed

The fair value of the identifiable assets acquired and liabilities assumed of Tuomi Innovation on the acquisition date is as follows:

Item	Amount
Cash and Cash Equivalents	$ 12,638
Net accounts receivable	41,694
Inventory	62,591
Prepayments	1,034
Other current assets	9
Property, plant and equipment	6,132
Right-of-use assets	39,813
Other non-current assets	3,340
Short-term loans	(19,440)
Accounts payable	(779)
Other payables	(1,408)
Current income tax liabilities	(2,999)
Other current liabilities	(3,159)
Long-term loan (including the current portion)	(71,538)
Lease liabilities (including current portion)	(40,008)
Other non-current liabilities	(2,016)
Fair value of identifiable net assets	**$ 25,904**

(3) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Acquisition consideration - cash	$ 30,000
Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	12,693
Less: Fair value of identifiable assets acquired and liabilities assumed	25,904
Goodwill	**$ 16,789**

5. Acquisition of the subsidiary - Winho Tech

For the purpose of business development strategy, the consolidated company acquired a 23.34% equity interest in Winho Tech in October 2025 and obtained a majority of board seats as well as decision-making authority over personnel, finance, and operations, thereby obtaining control and including it in the consolidated entity. The company is primarily engaged in information software services.

From the acquisition date to December 31, 2025, Winho Tech contributed revenue of NT$43,258 thousand and a net loss of NT$(2,046) thousand. If this acquisition had occurred on January 1, 2025, management estimates that the consolidated company's revenue and net profit for the current period would have increased by NT$193,503 thousand and NT$39,507 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025, and that the provisional fair value adjustments arising on the acquisition date were the same.

(1) Transfer consideration

	Amount
Cash	**$ 118,329**

(2) Identifiable net assets acquired and liabilities assumed on the acquisition date

The fair value of the identifiable assets acquired and liabilities assumed of Winho Tech on the acquisition date is as follows:

Item	**Amount**
Cash and Cash Equivalents	$ 86,840
Contract assets	29,163
Notes payable	31,045
Net accounts receivable	23,917
Prepayments	140
Other current assets	359
Property, plant and equipment	5,279
Right-of-use assets	11,799
Refundable deposits - non-current	1,221
Contract liabilities	(87,773)
Accounts payable	(1,579)
Other payables	(12,884)
Current income tax liabilities	(8,131)
Other current liabilities	(2,077)
Lease liabilities (including current portion)	(11,844)
Fair value of identifiable net assets	**$ 65,475**

(3) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Transfer consideration	$ 118,329
Add: Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	50,192
Less: Fair value of identifiable assets acquired and liabilities assumed	65,475
Goodwill	$ 103,046

6. Acquisition of the subsidiary - Y-S Electronic

For the purpose of business development strategy, the consolidated company obtained a majority of board seats as well as decision-making authority over personnel, finance, and operations of Y-S Electronic through Myson Century, Inc. in November 2025, thereby obtaining control and including it in the consolidated entity. The company is primarily engaged in electronic components.

From the acquisition date to December 31, 2025, Y-S Electronic contributed revenue of NT$138,781, thousand and a net loss of NT$(63) thousand. If this acquisition had occurred on January 1, 2025, management estimates that the consolidated company's revenue and net profit for the current period would have increased by NT$643,570 thousand and NT$23,541 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025, and that the provisional fair value adjustments arising on the acquisition date were the same.

(1) Identifiable net assets acquired and liabilities assumed on the acquisition date

The fair value of the identifiable assets acquired and liabilities assumed of Y-S Electronic on the acquisition date is as follows:

Item	Amount
Cash and Cash Equivalents	$ 256,037
Notes payable	4,302
Net accounts receivable	169,263
Other receivables	1,002
Inventory	92,964
Prepayments	9,537
Financial assets at fair value through other comprehensive income - non-current:	51,400
Property, plant and equipment	226,605
Right-of-use assets	189,929
Intangible assets	28,357
Deferred income tax assets	33,842
Other non-current assets	774
Refundable deposits - non-current	8,005

Item	Amount
Contract liabilities	(987)
Notes payable	(1,133)
Accounts payable	(153,578)
Other payables	(31,323)
Long-term loan (including the current portion)	(2,502)
Other current liabilities	(40)
Deferred income tax liabilities	(62,939)
Net defined benefit liabilities	(2,836)
Lease liabilities (including current portion)	(218,381)
Deposits received	(968)
Fair value of identifiable net assets	**$ 597,330**

(2) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Fair value of previously held equity interest in the acquirer	$ 496,328
Add: Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	423,310
Less: Fair value of identifiable assets acquired and liabilities assumed	597,330
Goodwill	**$ 322,308**

7. Acquisition of the subsidiary - GCC

For the purpose of business development strategy, the consolidated company obtained a majority of board seats as well as decision-making authority over personnel, finance, and operations of GCC through Myson Century, Inc. in December 2025, thereby obtaining control and including it in the consolidated entity. The company is primarily engaged in the manufacturing and sales of computer vinyl cutting machines and laser engraving machines.

If this acquisition had occurred on January 1, 2025, management estimates that the consolidated company's revenue and net profit for the current period would have increased (decreased) by NT$461,658 thousand and NT$(33,886) thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025, and that the provisional fair value adjustments arising on the acquisition date were the same.

(1) Identifiable net assets acquired and liabilities assumed on the acquisition date

The fair value of the identifiable assets acquired and liabilities assumed of GCC on the acquisition date is as follows:

Item	Amount
Cash and Cash Equivalents	$ 75,090
Financial assets measured at amortized cost-current	76,054
Notes payable	83
Net accounts receivable	47,470
Other receivables	5,640
Income tax assets for the current period	138
Inventory	111,152
Prepayments	3,680
Other current assets	335
Other financial assets - current	2,300
Financial assets measured at amortized cost - non-current	58,159
Property, plant and equipment	218,820
Right-of-use assets	10,179
Intangible assets	2,959
Net defined benefit asset - non-current	16,915
Refundable deposits - non-current	1,763
Contract liabilities	(6,259)
Accounts payable	(29,880)
Other payables	(33,911)
Current income tax liabilities	(236)
Provision for liabilities - current	(16,208)
Other current liabilities	(1,441)
Long-term loan (including the current portion)	(579)
Lease liabilities (including current portion)	(1,750)
Deferred income tax liabilities	(35,406)
Fair value of identifiable net assets	**$ 505,067**

(2) Goodwill

The goodwill recognized due to the acquisition is detailed as follows:

Item	Amount
Fair value of previously held equity interest in the acquirer	$ 903,243
Add: Non-controlling equity (measured at the proportion of identifiable net assets to the non-controlling equity)	303,431
Less: Fair value of identifiable assets acquired and liabilities assumed	505,067
Goodwill	$ 701,607

The measurement of the fair values of the assets and liabilities of Tuomi Innovation, Winho Tech, Y-S Electronic, and GCC acquired by the consolidated company is provisional, and the amounts are subject to completion of the final valuation. Accordingly, the amounts are recognized based solely on the provisional values using the best estimates of the consolidated company's management.

The consolidated entities will continue to review said items during the measurement period. If any new information about facts and circumstances already existing on the date of acquisition as obtained within one year as of the date of acquisition may identify the adjustment on said provisional amount or additional liability allowance existing on the date of acquisition, the accounting treatment of acquisition will be modified.

8. Acquisition businesses

Transaction counterparty	Main operating activities	Acquisition date
Yuan Fu Long Trading Co., Ltd. (hereinafter referred to as "Yuan Fu Long")	Operation of online social media platforms and product sales	June 13, 2024
Mobix Corporation (hereinafter referred to as "Mobix")	Operation of online social media platforms and product sales	June 30, 2025
MIZUNOIRO CO., LTD. (hereinafter referred to as "MIZUNOIRO")	Operation of online social media platforms and product sales	September 1, 2025

The consolidated company acquired the business and asset groups set out in the above table, which comprise inputs and processes applied to those inputs and are capable of generating outputs, thereby meeting the definition of a business. Accordingly, the transaction is accounted for in accordance with IFRS 3 "Business Combinations." This acquisition was undertaken to achieve the consolidated company's business expansion objectives.

(1) Transfer consideration

	Amount		
	Yuan Fu Long	**MIZUNOIRO**	**Mobix**
Cash	$ 59,524	22,524 (Note)	23,810

(2) Identifiable net assets acquired on the acquisition date

Item	Yuan Fu Long	MIZUNOIRO	Mobix
Non-current assets			
Intangible assets	$ 60,900	22,524	23,810
Deferred income tax assets	385	-	-
Total	$ 61,285	22,524	23,810

(Note) Includes consideration paid in 2024 of NT$13,000 thousand.

(3) Bargain purchase gain arising from the acquisition

Item	Yuan Fu Long	MIZUNOIRO	Mobix
Transfer consideration	$ 59,524	22,524	23,810
Less: Fair value of identifiable net assets acquired	(61,285)	(22,524)	(23,810)
Bargain purchase gain arising from the acquisition	$ (1,761)	-	-

The bargain purchase gain arising from the activities and assets acquired from Yuan Fu Long is mainly attributable to the consolidated company's plan to engage in social networking platform operations in 2024. In addition, Yuan Fu Long was constrained by its scale and lacked competitiveness in the market; therefore, the consolidated company acquired the asset group at a consideration lower than its fair value.

(X) Changes in the ownership and equity of the subsidiary

The consolidated company acquired additional equity from HSIN-LI, Myson Century, Inc., Sen Tai, and Yuan Qiao at the cost of NT$189,200 thousand in cash from January to December 2024. For the changes in the related shareholdings, please refer to Note IV(III).

In 2024, the consolidated company disposed of partial equity interests in U-BEST, Feei Cherng, HSIN-LI, and Myson Century, Inc. for a cash consideration of NT$1,066,317 thousand. In addition, U-BEST and HSIN-LI successively converted convertible bonds in 2024; however, this did not result in a loss of control.

During 2025, the consolidated company acquired additional equity interests in U-BEST, Feei Cherng, Sen Tai, and Hua Han for cash consideration of NT$183,474 thousand. For details of changes in ownership interests, please refer to Note IV(III).

In 2025, the consolidated company disposed of partial equity interests in Feei Cherng, HSIN-LI, and Myson Century, Inc. for a cash consideration of NT$2,132,776 thousand. In addition, FEEI conducted a cash capital increase in March 2025, and the consolidated company did not subscribe in proportion to its shareholding. FEEI also successively converted convertible bonds during 2025; however, these events did not result in a loss of control.

In 2025, Myson repurchased 2,000 thousand treasury shares for a cash consideration of NT$126,634 thousand and obtained approval from the competent authority on July 22, 2025 to cancel all of them. For changes in the consolidated company's shareholding percentage in Myson, please refer to Note IV(III).

Effects produced by the changes in the consolidated entities' ownership and equity of the above subsidiaries to the equity attributed to owners of the parent are stated as follows:

	2025	2024
Retained earnings	$ -	(272)
Capital surplus - recognition of changes in the ownership and equity of the subsidiary	$ 187,801	(257,824)

(XI) Subsidiaries with significant non-controlling equity

The information about non-controlling equity of subsidiaries important to the consolidated entities is stated as follows:

Name of Subsidiary	Principal business place/country where the company is registered	Proportion of ownership and voting right of the non-controlling equity	
		2025.12.31	2024.12.31
U-BEST Innovative Technology Co., Ltd.	Taiwan	87.36%	87.34%
HSIN-LI	Taiwan	87.54%	87.36%
Feei Cherng Enterprise Co., Ltd.	Taiwan	73.88%	70.08%
Myson Century, Inc.	Taiwan	80.84%	73.73%
Y-S Electronic	Taiwan	70.87%	- %
GCC	Taiwan	60.08%	- %

Said subsidiaries' summarized consolidated financial information is stated as follows. The financial information was prepared based on the IFRSs endorsed by FSC, which reflects the fair value adjustment and adjustment on the accounting policy difference made by the consolidated entities on the date of acquisition. Meanwhile, the financial information refers to the amount before the consolidated entities' internal trading was written off:

(1) Consolidated summarized financial information of U-BEST (Note 1):

	2025.12.31	2024.12.31 (adjusted)
Current assets	$ 6,933,531	6,361,811
Non-current assets	4,962,553	4,386,858
Current liabilities	(3,102,349)	(3,251,156)
Non-current liabilities	(638,610)	(613,033)
Net assets	**$ 8,155,125**	**6,884,480**
Carrying amount of non-controlling equity, ending	**$ 6,955,914**	**5,299,360**

	2025	2024 (adjusted)
Operating revenue	**$ 1,528,393**	**825,783**
Income (loss)	$ 781,751	1,269,709
Other comprehensive income	8,552	44,263
Total comprehensive income	**$ 790,303**	**1,313,972**
Net profit (loss) attributed to non-controlling equity	**$ (345,967)**	**337,667**
Total comprehensive income attributed to non-controlling equity	**$ (343,415)**	**336,047**
Cash flow from operating activities	$ (56,913)	(1,725,263)
Cash flow from investing activities	692,607	(16,384)
Cash flow from financing activities	(197,166)	1,960,132
Effect of changes in foreign exchange rate to cash and cash equivalents	73	382
Increase in cash and cash equivalents	**$ 438,601**	**218,867**
Dividends paid to non-controlling equity	**$ 31,046**	**-**

Note 1: U-BEST's consolidated summarized financial information has included the financial information of the subsidiaries, HSIN-LI and Feei Cherng.

(2) Summarized financial information of HSIN-LI (Note 2):

		2025.12.31	2024.12.31 (adjusted)
Current assets	$	1,613,908	1,433,683
Non-current assets		3,870,565	3,403,509
Current liabilities		(652,285)	(970,243)
Non-current liabilities		(214,856)	(213,659)
Net assets	**$**	**4,617,332**	**3,653,290**
Carrying amount of non-controlling equity, ending	**$**	**3,884,930**	**2,537,212**

		2025	2024 (adjusted)
Operating revenue	**$**	**988,134**	**373,927**
Income from	$	1,064,750	1,334,812
Other comprehensive income		2,557	(1,698)
Total comprehensive income	**$**	**1,067,307**	**1,333,114**
Net profit attributed to non-controlling equity	**$**	**73,742**	**411,491**
Total comprehensive income attributed to non-controlling equity	**$**	**76,109**	**411,002**
Cash flow from operating activities	$	65,996	37,368
Cash flow from investing activities		954,921	(146,061)
Cash flow from financing activities		(711,713)	204,677
Effect of changes in foreign exchange rate to cash and cash equivalents		282	255
Increase in cash and cash equivalents	**$**	**309,486**	**96,239**
Dividends paid to non-controlling equity	**$**	**69,018**	**80,004**

Note 2: The summarized consolidated financial information of HSIN-LI includes the financial information of its subsidiary, PRIT.

(3) Summarized financial information of Feei Cherng (Note 3):

	2025.12.31	2024.12.31
Current assets	$ 3,295,728	2,814,716
Non-current assets	354,658	262,330
Current liabilities	(1,046,606)	(1,031,577)
Non-current liabilities	(379,953)	(377,575)
Net assets	$ 2,223,827	1,667,894
Carrying amount of non-controlling equity, ending	$ 1,622,246	1,148,261

	2025	2024
Operating revenue	$ 11,390	36,764
Income (loss)	$ (70,697)	26,583
Other comprehensive income	-	-
Total comprehensive income	$ (70,697)	26,583
Net loss attributed to non-controlling equity	$ (49,981)	(16,254)
Total comprehensive income attributed to non-controlling equity	$ (49,981)	(16,254)
Cash flow from operating activities	$ (118,880)	(1,452,283)
Cash flow from investing activities	(267,736)	499,960
Cash flow from financing activities	623,688	1,008,504
Effect of changes in foreign exchange rate to cash and cash equivalents	(222)	99
Increase in cash and cash equivalents	$ 236,850	56,181
Dividends paid to non-controlling equity	$ -	-

Note 3: The summarized consolidated financial information of Feei Cherng includes the financial information of its subsidiary, Sen Tai.

(4) Summarized financial information of Myson Century, Inc. (Note 4):

	2025.12.31	2024.12.31
Current assets	$ 2,356,991	412,282
Non-current assets	2,754,346	200,537
Current liabilities	(1,788,445)	(153,972)
Non-current liabilities	(464,035)	(7,905)
Net assets	$ 2,858,857	450,942
Carrying amount of non-controlling equity, ending	$ 2,384,557	319,126

	2025	2024
Operating revenue	$ 2,973,547	628,230
Income from	$ 1,679,611	267,511
Other comprehensive income	12,390	1,569
Total comprehensive income	$ 1,692,001	269,080
Net profit attributed to non-controlling equity	$ 1,285,790	176,712
Total comprehensive income attributed to non-controlling equity	$ 1,250,046	176,698
Cash flow from operating activities	$ 1,008,688	339,775
Cash flow from investing activities	(639,181)	(122,662)
Cash flow from financing activities	687,351	(36,906)
Effect of changes in foreign exchange rate to cash and cash equivalents	4,753	450
Increase in cash and cash equivalents	$ 1,061,611	180,657
Dividends paid to non-controlling equity	$ 65,129	19,364

Note 4: The summarized consolidated financial information of Myson Century, Inc. includes the financial information of its subsidiary.

(5) Summarized financial information of Y-S Electronic:

	2025.12.31
Current assets	$ 561,215
Non-current assets	546,031
Current liabilities	(223,339)
Non-current liabilities	(270,606)
Net assets	$ 613,301
Carrying amount of non-controlling equity, ending	$ 439,105

	From the acquisition date to December 31, 2025
Operating revenue	$ 138,781
Net loss for the current period	(62)
Other comprehensive income	16,033
Total comprehensive income	$ 15,971
Net loss attributed to non-controlling equity	$ (254)
Total comprehensive income attributed to non-controlling equity	$ 11,308

(6) Summarized financial information of GCC:

	2025.12.31
Current assets	$ 321,942
Non-current assets	308,795
Current liabilities	(89,807)
Non-current liabilities	(35,863)
Net assets	$ 505,067
Carrying amount of non-controlling equity, ending	$ 303,431

(XII) Property, plant and equipment

The changes in the property, plant and equipment of the consolidated entities are detailed as follows:

	Land	Land improvement	Building and structure	Machine and equipment	Other equipment	Construction in progress and equipment pending inspection	Total	
Cost or deemed cost:								
Balance on January 1, 2025 (adjusted)	$ 2,386,937	13,590	768,172	371,453	273,374	30,297	3,843,823	
Additions	-	-	17,118	24,476	21,552	3,391	66,537	
Reclassification	-	-	9,554	10,155	15,803	(25,243)	10,269	(Note 1)
Disposal	-	(2,612)	(3,458)	(21,524)	(11,996)	-	(39,590)	
Acquired through merger	295,190	-	314,559	99,682	157,616	-	867,047	
Effects of changes in foreign exchange rates	-	-	-	3,466	2,783	-	6,249	
Balance on December 31, 2025	$ 2,682,127	10,978	1,105,945	487,708	459,132	8,445	4,754,335	
Balance on January 1, 2024	$ 1,258,187	13,590	356,341	269,072	194,837	10,410	2,102,437	
Additions	-	-	5,997	5,459	5,463	25,824	42,743	
Reclassification	-	-	-	-	14,742	(14,742)	-	
Disposal	-	-	-	(43,440)	(1,799)	-	(45,239)	
Acquired through merger	1,128,750	-	405,834	140,362	60,131	8,805	1,743,882	

	Land	Land improvement	Building and structure	Machine and equipment	Other equipment	Construction in progress and equipment pending inspection	Total
Balance on December 31, 2024 (adjusted)	$ 2,386,937	13,590	768,172	371,453	273,374	30,297	3,843,823
Accumulated depreciation and impairment losses:							
Balance on January 1, 2025	$ -	9,728	413,665	296,986	130,970	-	851,349
Depreciation in the current period	-	805	29,188	19,965	18,199	-	68,157
Disposal	-	(2,612)	(3,458)	(21,466)	(11,913)	-	(39,449)
Acquired through merger	-	-	139,771	78,366	86,571	-	304,708
Effects of changes in foreign exchange rates	-	-	-	2,845	881	-	3,726
Balance on December 31, 2025	$ -	7,921	579,166	376,696	224,708	-	1,188,491
Balance on January 1, 2024	$ -	8,697	236,967	216,996	84,250	-	546,910
Depreciation in the current period	-	1,031	14,714	17,863	13,055	-	46,663
Disposal	-	-	-	(41,803)	(1,748)	-	(43,551)
Acquired through merger	-	-	161,984	103,930	35,413	-	301,327
Balance on December 31, 2024	$ -	9,728	413,665	296,986	130,970	-	851,349
Carrying amount:							
December 31, 2025	$ 2,682,127	3,057	526,779	111,012	234,424	8,445	3,565,844
January 1, 2024	$ 1,258,187	4,893	119,374	52,076	110,587	10,410	1,555,527
December 31, 2024 (adjusted)	$ 2,386,937	3,862	354,507	74,467	142,404	30,297	2,992,474

Note 1: Transferred from other non-current assets.

Note 2: In 2025, the consolidated company leased certain self-used equipment to a third party under a finance lease starting from January 1, 2025, and subsequently terminated the lease term early in July 2025. For interest income recognized during the lease term, please refer to Note VI(XXX).

For the consolidated entities' property, plant and equipment pledged as collaterals, please refer to Note VIII.

(XIII) Right-of-use assets

The changes in the cost and accumulated depreciation of the land, house and building and transportation equipment leased by the consolidated entities are detailed as follows:

	Land	Building and structure	Transportation equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2025	$ 115,328	43,891	11,533	170,752
Additions	-	29,092	1,025	30,117
Decrease	-	(6,773)	(1,118)	(7,891)
Acquired through merger	10,276	350,005	9,534	369,815
Variable lease payments	2,294	-	-	2,294
Lease modification	-	(10,837)	(1,025)	(11,862)
Effects of changes in foreign exchange rates	-	11,018	28	11,046
Balance on December 31, 2025	$ 127,898	416,396	19,977	564,271
Balance on January 1, 2024	$ -	15,128	7,796	22,924
Additions	-	26,425	4,866	31,291
Decrease	-	-	(1,129)	(1,129)
Acquired through merger	113,634	2,338	-	115,972
Variable lease payments	1,694	-	-	1,694
Balance on December 31, 2024	$ 115,328	43,891	11,533	170,752

	Land	Building and structure	Transportation equipment	Total
Accumulated depreciation of the right-of-use assets:				
Balance on January 1, 2025	$ 33,558	15,750	4,518	53,826
Depreciation in the current period (Note)	6,150	25,195	5,228	36,573
Decrease	-	(4,380)	(1,118)	(5,498)
Acquired through merger	1,999	96,937	4,670	103,606
Lease modification	-	(3,122)	(114)	(3,236)
Effects of changes in foreign exchange rates	-	3,291	21	3,312
Balance on December 31, 2025	$ 41,707	133,671	13,205	188,583
Balance on January 1, 2024	$ -	8,214	2,078	10,292
Depreciation in the current period	1,554	7,146	3,569	12,269
Decrease	-	-	(1,129)	(1,129)
Acquired through merger	32,004	390	-	32,394
Balance on December 31, 2024	$ 33,558	15,750	4,518	53,826
Carrying amount:				
December 31, 2025	$ 86,191	282,725	6,772	375,688
January 1, 2024	$ -	6,914	5,718	12,632
December 31, 2024	$ 81,770	28,141	7,015	116,926

Note: Includes depreciation expense reclassified to advertising costs amounting to NT$839 thousand.

(XIV) Investment property

	Land	Building and structure	Total
Cost or deemed cost:			
Balance on January 1, 2025	$ 264,654	267,929	532,583
Additions	-	1,301	1,301
Decrease in the current period	-	(335)	(335)
Balance on December 31, 2025	$ 264,654	268,895	533,549
Balance on January 1, 2024	$ 264,654	267,522	532,176
Additions	-	216	216
Reclassified	-	191	191
Balance on December 31, 2024	$ 264,654	267,929	532,583
Accumulated depreciation:			
Balance on January 1, 2025	$ 1,124	111,709	112,833
Depreciation in the current period	-	9,111	9,111
Decrease in the current period	-	(335)	(335)
Balance on December 31, 2025	$ 1,124	120,485	121,609
Balance on January 1, 2024	$ -	99,871	99,871
Depreciation in the current period	-	9,271	9,271
Impairment loss	1,124	2,567	3,691

	Land	Building and structure	Total
Balance on December 31, 2024	$ 1,124	111,709	112,833
Carrying amount:			
December 31, 2025	$ 263,530	148,410	411,940
January 1, 2024	$ 264,654	167,651	432,305
December 31, 2024	$ 263,530	156,220	419,750
Fair value:			
December 31, 2025			$ 502,856
December 31, 2024			$ 801,702

Partial land acquired by the consolidated entities is agricultural land; therefore, we may not be able to register ourselves as the nominee due to laws and regulations. Therefore, the ownership of the land was registered under the name of the Company's Chairman Chang Yu-Ming. The relevant breakdown and security measures are described as follows:

Land section	2025.12.31	2024.12.31	Security measures
Fushan Sec., Luzhu Dist., Kaohsiung City	$ 28,210	28,210	Entrustment agreement and creation of mortgage in full-amount
Fanshu Sec., Shuilin Township, Yunlin County	8,050	8,050	Entrustment agreement and creation of mortgage in full-amount
	$ 36,260	36,260	

The investment property held by the consolidated company is leased in accordance with the rules governing the commercial building & land and the land and buildings of offices and certain factory premises held for sale or lease, as well as farmland and buildings thereon leased to third parties. The consolidated entities negotiate with the lessee for renewal of each lease contract each year, without collecting the contingent rent. For the related information, please refer to Note VI(XXII) for details.

As of December 31, 2025 and 2024, the fair value of investment properties was assessed based on valuation reports prepared by independent appraisers. The valuation was performed based on market value and recent transaction prices of nearby properties.

For the consolidated company's investment property pledged as collaterals, please refer to Note VIII.

(XV) Intangible assets

The consolidated entities' intangible assets are detailed as follows:

	Cost of computer software	License	Goodwill	Trademark rights	Proprietary technology	Others	Total
Cost:							
Balance on January 1, 2025 (adjusted)	$ 3,186	24,254	114,841	57,610	3,660	16,300	219,851
Additions	5,982	-	-	-	-	-	5,982
Acquired through merger	10,259	-	1,175,332	-	54	67,153	1,252,798
Balance on December 31, 2025	**$ 19,427**	**24,254**	**1,290,173**	**57,610**	**3,714**	**83,453**	**1,478,631**
Balance on January 1, 2024	$ 2,249	24,254	75,081	-	-	-	101,584
Additions	104	-	-	10	3,660	13,000	16,774
Disposal	(682)	-	-	-	-	-	(682)
Acquired through merger	1,515	-	39,760	57,600	-	3,300	102,175
Balance on December 31, 2024 (adjusted)	**$ 3,186**	**24,254**	**114,841**	**57,610**	**3,660**	**16,300**	**219,851**
Accumulated amortization and impairment losses:							
Balance on January 1, 2025	$ 1,063	13,011	14,510	3,360	183	1,508	33,635
Amortized in the current period	1,643	2,144	-	5,761	366	7,333	17,247
Acquired through merger	6,118	-	-	-	54	-	6,172
Balance on December 31, 2025	**$ 8,824**	**15,155**	**14,510**	**9,121**	**603**	**8,841**	**57,054**
Balance on January 1, 2024	$ 1,314	10,585	14,510	-	-	-	26,409
Amortized in the current period	431	2,426	-	3,360	183	1,508	7,908
Disposal	(682)	-	-	-	-	-	(682)
Balance on December 31, 2024	**$ 1,063**	**13,011**	**14,510**	**3,360**	**183**	**1,508**	**33,635**
Carrying amount:							
December 31, 2025	**$ 10,603**	**9,099**	**1,275,663**	**48,489**	**3,111**	**74,612**	**1,421,577**
January 1, 2024	**$ 935**	**13,669**	**60,571**	**-**	**-**	**-**	**75,175**
December 31, 2024 (adjusted)	**$ 2,123**	**11,243**	**100,331**	**54,250**	**3,477**	**14,792**	**186,216**

1. Goodwill impairment test

   The goodwill arising from the acquisition of subsidiaries by the consolidated company mainly results from the expected profitability of those companies in their respective fields and the benefits derived from synergies following the acquisition, which support the Group's diversified development. In accordance with IAS 36, goodwill arising from a business combination shall be tested for impairment at least annually. The impairment test allocates goodwill to cash-generating units expected to benefit from the synergies of the combination. Each subsidiary itself is a cash-generating unit capable of generating independent cash flows; therefore, impairment of goodwill is assessed by comparing the recoverable amount and carrying amount of each subsidiary to determine whether an impairment loss should be recognized.

   After assessment, the recoverable amount still exceeded the carrying amount; therefore, no impairment loss was recognized for the years 2025 and 2024.
2. The amortization expenses for intangible assets in 2025 and 2024 are stated as the operating expenses in the Consolidated Statement of Comprehensive Income. Please refer to Note XII.
3. None of the consolidated company's intangible assets have been pledged as collateral.

(XVI) Short-term loans

		2025.12.31	2024.12.31
Unsecured bank loans	$	274,571	216,057
Secured bank loans		5,828,616	5,337,136
Letter of credit loans		-	1,233
Total	$	6,103,187	5,554,426
Unused short-term credit lines	$	3,050,564	2,870,372
Interest rate range		1.95%~3.5%	0.5%~3.46%

Certain secured bank borrowings of the consolidated company, originally due on June 24, 2024 and December 31, 2024, were extended to August 22, 2026 and March 31, 2026, respectively, as the related construction projects serving as collateral had not yet been completed and additional funding was required.

Certain secured bank borrowings of the consolidated company, originally due on June 27, 2024 and June 26, 2025, were extended to July 19, 2025 and July 14, 2026, respectively, due to continuing funding requirements.

For the interest expenses, please refer to Note VI(XXX).

For the consolidated company's assets mortgaged to secure the bank loans, please refer to Note VIII.

(XVII) Short-term bills and notes payable

		2025.12.31	2024.12.31
Unsecured short-term bills and notes payable	$	19,956	69,929
Secured short-term bills and notes payable		313,380	329,511
Total	$	333,336	399,440
Unused short-term credit lines	$	221,000	313,000
Interest rate range		1.65%~2.6%	1.64%~2.575%

The abovementioned short-term bills and notes payable were the issuance of non-guarantee commercial papers that can be issued for up to one year on a circular basis during the contract period, and the consolidated entities are not required to pay service charges and interest.

For the consolidated company's assets mortgaged to cover the short-term bills and notes payable, please refer to Note VIII.

(XVIII) Long-term loans

The consolidated entities' long-term loans are detailed as follows:

	2025.12.31			
	Currency type	**Interest rate range**	**Expiration year**	**Amount**
Unsecured bank loans	NTD	2.188%~3.18%	117~119	$ 70,127
Secured bank loans	NTD	2.15%~3.34%	115~132	186,862
Secured bank loans	USD	5.34%	129	579
Other secured loan	NTD	9.36%~9.6%	115~117	5,443
Less: a current portion				(58,548)
Total				**$ 204,463**
Unused short-term credit lines				**$ 122,696**

	2024.12.31			
	Currency type	**Interest rate range**	**Expiration year**	**Amount**
Unsecured bank loans	NTD	2.0349%~2.54%	114~118	$ 73,465
Secured bank loans	NTD	2.349%~3.34%	114~132	68,325
Less: a current portion				(66,936)
Total				**$ 74,854**
Unused short-term credit lines				**$ -**

For the consolidated entities' assets mortgaged to secure the bank loans, please refer to Note VIII.

(XIX) Lease liabilities

The consolidated entities' lease liabilities are stated as follows:

	2025.12.31	**2024.12.31**
Current	$ 61,273	20,593
Non-current	340,815	108,811
	$ 402,088	**129,404**

For the expiration analysis, please refer to Note VI(XXXI).

The amount recognized into profit or loss is stated as follows:

	2025	2024
Interest expenses on lease liabilities	$ 4,716 (Note)	812
Variable lease payments not included in the measurement of the lease liabilities	$ 1,429	1,862
Short-term lease expenses	$ 5,497	5,353
Low-value underlying lease asset expenses (exclusive of low-value lease in the short-term leases)	$ 738	579
Profit from lease modification	$ (123)	-

Note: Includes interest expense reclassified to advertising costs amounting to NT$78 thousand.

Amount recognized into the Cash Flow Statement is stated as follows:

	2025	2024
Total cash outflow from leases	$ 46,676	20,981

1. Lease of land, house and building

The consolidated company leases land for the construction of factories and office premises, with a lease term of 20 years. The consolidated company leases buildings and structures for use as office premises, business locations, and reception centers. The lease terms range from 2 to 8 years for office premises or business locations, and from 3 to 5 years for reception centers.

In 2025 and 2024, certain new lease contracts entered into by the consolidated company stipulate rental payments that include not only fixed payments but also variable payments based on the sales of the leased retail stores. Such terms are common in retail store leases in the consolidated company's operating regions. For these contracts, the consolidated company made the following fixed and variable lease payments in 2025 and 2024, respectively:

	2025			
	Fixed payments	Variable payments	Total	Estimated impact on rent for each 1% increase in sales amount
Lease contracts including variable payments based on sales amount	$ 2,200	1,429	3,629	36

	2024			
	Fixed payments	Variable payments	Total	Estimated impact on rent for each 1% increase in sales amount
Lease contracts including variable payments based on sales amount	$ 1,575	1,862	3,437	34

The consolidated company expects that the proportion of fixed and variable lease payments in future periods will be broadly consistent with the current period.

2. Other leases

The consolidated company leases transportation equipment with a lease term of 3 years. However, in September 2025, the consolidated company early terminated part of the leases for transportation equipment, resulting in a decrease in lease liabilities of NT$942 thousand. Please refer to Note VI(XIII) for details.

The consolidated company lease the employee dormitory, parking lots, offices and other equipment for the lease term of 1 to 5 years. Such lease is a short-term or low-value underlying lease. The consolidated company decide to apply recognition exemptions to refrain from recognizing related right-of-use assets and lease liabilities for such short-term or low-value underlying lease.

(XX) Provision for liabilities

	Warranty
Balance on January 1, 2025	$ 5,000
Liabilities assumed in a business combination	2,997
Reversal of provisions for the current period	(5,000)
Balance on December 31, 2025	$ 2,997
Balance on January 1, 2024	$ -
Provisions recognized during the current period	5,000
Balance on December 31, 2024	$ 5,000

The above warranty provisions of the consolidated company mainly relate to renovation contracting services and product sales. Warranty provisions are estimated based on historical warranty data for similar products and services. The consolidated company expects that most of such liabilities will be incurred within one to three years after completion or within one year after sales.

(XXI) Corporate bonds payable

Details of domestic convertible bonds payable are as follows:

		2025.12.31	2024.12.31
Total amount for Issuance of convertible corporate bonds	$	1,200,000	2,400,000
Accumulated conversion amount		(292,900)	(1,452,800)
Amount of repayment due		-	(13,200)
Balance of corporate bonds payable discounted but not yet amortized		(35,294)	(53,693)
Less: a current portion		(493,369)	(131,773)
Balance of corporate bonds payable, ending	$	378,437	748,534
Embedded derivatives - put option and right of redemption (stated as the financial assets at fair value through profit or loss)	$	395	5,133
Embedded derivatives - put option and right of redemption (stated as the financial assets at fair value through profit or loss)	$	1,076	-
Elements of equity - right of conversion (stated as capital surplus-employee stock options, changes in net worth of subsidiaries' equity under equity method, and non-controlling equity)	$	73,809	75,175

		2025	2024
Embedded derivatives - valuation gains on put option and right of redemption (stated as the valuation gains (losses) on financial assets/liabilities at fair value through profit or loss)	$	(5,799)	897
Interest expenses (Note)	$	(18,074)	(6,926)

Note: The effective interest rates of the Company's 4th secured corporate bonds, 5th unsecured corporate bonds, and 6th secured corporate bonds are 0.82%, 2.68%, and 2.35%, respectively. The effective interest rates of the subsidiary U-BEST's 6th secured corporate bonds and 7th unsecured corporate bonds are 0.80% and 1.78%, respectively. The effective interest rate of the subsidiary HSIN-LI's 1st unsecured corporate bonds is 1.77%. The effective interest rate of the subsidiary Feei Cherng's 3rd secured corporate bonds is 2.1456%.

In 2024, the consolidated company repaid corporate bonds payable upon maturity amounting to NT$13,200 thousand.

For the information about the common shares converted by the Company as a result of the convertible corporate bond holders' exercise of the right of conversion in 2025 and 2024, please refer to Note VI(XXV).

1. The Company issued the domestic 4th secured convertible corporate bonds on January 29, 2021, primarily on the following terms and conditions:
   (1) Total issued amount: NT$400,000 thousand
   (2) Issue price: Issued at 101% of the par value, NT$100 thousand.
   (3) Coupon rate: 0%
   (4) Method of repayment: Except those converted to the Company's common stock by the bond holders according to Article 10 of the Regulations, those redeemed upon exercise of the put option according to Article 19 of the Regulations, those redeemed by the Company earlier pursuant to Article 18 of the Regulations, or those repurchased by the Company from OTC markets for cancellation, the others would be repaid in cash in full amount upon maturity.
   (5) Issuance period: 5 years (from January 29, 2021 to January 29, 2026)
   (6) Conversion period:

   The bond holders may ask the Company to convert the convertible corporate bonds hold by them into the Company's common shares from the day following expiration of three months after the bonds were issued (April 30, 2021) until expiration of the bonds (January 29, 2026), other than (I) the period for suspension of transfer registration of common stock required by laws, (II) 15 business days prior to the date for suspension of transfer registration of allocated bonus shares requested by the Company, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights, (III) from the record date for capital decrease until the day prior to the trading of stock swapped upon capital decrease, (IV) from the commencement date of suspension of conversion until the day when the swap of new shares starts.

   (7) Conversion price and adjustment thereof:

   The conversion price at the time of issuance shall be NT$14.9 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

   A. In the event of an increase in the number of common shares issued by the Company or offered by the Company in private placement, except the conversion of various securities with the right of conversion to common shares or stock options as issued by the Company or offered by the Company in private placement into common shares.
   B. In the event of the cash dividends on common shares distributed by the Company.
   C. In the event of the Company's further issuance or private placement of various securities with the right of conversion to common shares or stock options at the conversion or stock option price less than the current price per share.
   D. In the event of the Company's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

   As of December 31, 2025 and 2024, the conversion prices were NT$14.7 and NT$14.9, respectively.

(8) Put option:

The bond holders may exercise the put option of the bonds earlier on the record date for exercise of put option, namely, upon expiration of three years after issuance of the bonds (January 29, 2024). The creditor may demand that the Company should redeem the convertible corporate bonds held by him in cash at the book value of the bond plus the interest compensation [i.e. 100.75% (the real yield rate 0.25%) upon expiration of three years].

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (April 30, 2021) until 40 days prior to expiration of the issuance period (December 20, 2025), the Company may recall the convertible corporate bonds according to the Regulations:

A. If the closing price of the Company's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days;

B. If the balance of the outstanding bonds is less than NT$40,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled (including those repurchased from OTC markets), repaid or converted by the Company will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

The balance of said convertible corporate bonds is secured by Taipei Fubon Bank as the guarantor. In accordance with the underwriting guarantee agreement for the issuance of convertible corporate bonds entered into between the Company and Taipei Fubon Bank, the Company provided bank deposits of NT$139,675 thousand and NT$126,422 thousand as collateral for the convertible corporate bonds as of December 31, 2025 and 2024, respectively, during the term of the agreement. Please refer to Note VIII.

2. The Company issued the domestic 5th secured convertible corporate bonds on February 1, 2021, primarily on the following terms and conditions:

(1) Total issued amount: NT$400,000 thousand

(2) Issue price: Issued at par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Except those converted to the Company's common stock by the bond holders according to Article 10 of the Regulations, those redeemed upon exercise of the put option according to Article 19 of the Regulations, those redeemed by the Company earlier pursuant to Article 18 of the Regulations, or those repurchased by the Company from OTC markets for cancellation, the others would be repaid in cash in full amount upon maturity.

(5) Issuance period: 3 years (from February 1, 2021 to February 1, 2024)

(6) Conversion period:

The bond holders may ask the Company to convert the convertible corporate bonds hold by them into the Company's common shares from the day following expiration of three months after the bonds were issued (May 2, 2021) until expiration of the bonds (February 1, 2024), other than (I) the period for suspension of transfer registration of common stock required by laws, (II) 15 business days prior to the date for suspension of transfer registration of allocated bonus shares requested by the Company, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights, (III) from the record date for capital decrease until the day prior to the trading of stock swapped upon capital decrease, (IV) from the commencement date of suspension of conversion until the day when the swap of new shares starts.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$11.6 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. In the event of an increase in the number of common shares issued by the Company or offered by the Company in private placement, except the conversion of various securities with the right of conversion to common shares or stock options as issued by the Company or offered by the Company in private placement into common shares.

B. In the event of the cash dividends on common shares distributed by the Company.

C. In the event of the Company's further issuance or private placement of various securities with the right of conversion to common shares or stock options at the conversion or stock option price less than the current price per share.

D. In the event of the Company's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

(8) Put option:

The bond holders may exercise the put option of the bonds earlier on the record date for exercise of put option, namely, upon expiration of two years after issuance of the bonds (February 1, 2023). The creditor may demand that the Company should redeem the convertible corporate bonds held by him in cash at the book value of the bond plus the interest compensation [i.e. 104.04% (the real yield rate 2%) upon expiration of three years].

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (May 2, 2021) until 40 days prior to expiration of the issuance period (December 23, 2023), the Company may recall the convertible corporate bonds according to the Regulations:

A. If the closing price of the Company's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days;

B. If the balance of the outstanding bonds is less than NT$40,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled (including those repurchased from OTC markets), repaid or converted by the Company will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

3. On December 27, 2024, the Company issued the 6th domestic secured convertible corporate bonds. The main terms and conditions of the issuance are as follows:

(1) Total issued amount: NT$400,000 thousand

(2) Issue price: Issued at 100% of the par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Unless the bondholders of these convertible corporate bonds convert them into the Company's common shares in accordance with Article 10 of these Terms, or the Company redeems them early in accordance with Article 18, or the put option is exercised in accordance with Article 19, or the Company repurchases and cancels them through a securities firm's trading place, the Company shall repay the bonds in cash at par value in a lump sum within ten business days after the maturity date of these convertible corporate bonds.

(5) Issuance period: 3 years (from December 27, 2024 to December 27, 2027)

(6) Conversion period:

From the day following the expiration of three months after the issuance of these convertible corporate bonds (March 28, 2025) to the maturity date (December 27, 2027), bondholders may, at any time, request conversion of these convertible corporate bonds into the Company's common shares in accordance with these Terms and in accordance with Articles 10, 11, 13, and 15 of these Terms, except during the following periods: (I) the period when transfer of common shares is legally suspended; (II) from fifteen business days prior to the book closure date for stock dividend distribution, cash dividend distribution, or cash capital increase subscription to the record date for rights distribution; (III) from the record date of capital reduction to one day prior to the commencement of trading of replacement shares; and (IV) from the suspension period for conversion due to changes in par value of shares to one day prior to the commencement of trading of replacement shares.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$17.8 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. Except for the issuance of common shares upon conversion of securities issued or privately placed by the Company with conversion rights into common shares or warrant rights, or the issuance of new shares as employee compensation, when the number of issued common shares of U-BEST (including private placements) increases.

B. In the event of the cash dividends on common shares distributed by the Company.

C. When the Company issues (including private placements) securities with conversion rights into common shares or warrant rights at a conversion or subscription price lower than the prevailing market price per share.

D. In the event of the Company's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

As of December 31, 2025 and 2024, the conversion prices were NT$17.4 and NT$17.8, respectively.

(8) Put option:

The date on which two years have elapsed since the issuance of these convertible corporate bonds (December 27, 2026) shall be the put option reference date for bondholders to exercise the right to sell back these bonds early. The creditor may demand that the Company should redeem the convertible corporate bonds held by him in cash at the book value of the bond plus the interest compensation [i.e. 100.50% (the real yield rate 0.25%) upon expiration of two years].

As of December 31, 2025, the Company reclassified the convertible corporate bonds to current liabilities in accordance with the bondholders' early put option; however, this does not indicate that the Company is required to fully repay them within one year.

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (March 28, 2025) until 40 days prior to expiration of the issuance period (November 16, 2027), the Company may recall the convertible corporate bonds according to the Regulations:

A. When the closing price of the Company's common shares exceeds the prevailing conversion price by 30% or more for 30 consecutive business days.

B. If the balance of the outstanding bonds is less than NT$40,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled (including those repurchased from OTC markets), repaid or converted by the Company will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

The outstanding balance of the above-mentioned convertible corporate bonds is guaranteed by Bank of Panhsin Co., Ltd. In accordance with the underwriting guarantee agreement for the issuance of convertible corporate bonds entered into between the Company and Bank of Panhsin Co., Ltd., the Company provided bank deposits of NT$243,583 thousand and NT$163,000 thousand as collateral for the convertible corporate bonds as of December 31, 2025 and 2024, respectively, during the term of the agreement. Please refer to Note VIII.

4. The subsidiary, U-BEST, issued the domestic 6th secured convertible corporate bonds on October 15, 2021, and listed the bonds on Taipei Exchange, primarily on the following terms and conditions:

(1) Total issued amount: NT$300,000 thousand

(2) Issue price: Issued at 105.37% of the par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Except those converted to the Company's common stock by the bond holders according to Article 10 of the Regulations, those redeemed upon exercise of the put option according to Article 19 of the Regulations, those redeemed by U-BEST earlier pursuant to Article 18 of the Regulations, or those repurchased from OTC markets for cancellation, the others would be repaid in cash in full amount.

(5) Issuance period: 5 years (from October 15, 2021 to October 15, 2026)

(6) Conversion period:

The bond holders may ask U-BEST to convert the convertible corporate bonds hold by them into U-BEST's common shares from the day following expiration of three months after the bonds were issued (January 16, 2022) until expiration of the bonds (October 15, 2026), other than A. the period for suspension of transfer registration of common stock required by laws; B. 15 business days prior to the date for suspension of transfer registration of allocated bonus shares requested by U-BEST, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights; C. from the record date for capital decrease until the day prior to the trading of stock swapped upon capital decrease, and D. from the commencement date of suspension of conversion for changes in the par value of stocks until the day prior to the swap of new shares.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$16.8 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. Except for the issuance of common shares upon conversion of securities issued or privately placed by U-BEST with conversion rights into common shares or warrant rights, or the issuance of new shares as employee compensation, when the number of issued or privately placed common shares of U-BEST increases.

B. In the event of the cash dividends on common shares distributed by U-BEST.

C. In the event of U-BEST's further issuance or private placement of various securities with the right of conversion to common shares or stock options at the conversion or stock option price less than the current price per share.

D. In the event of U-BEST's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

As of December 31, 2024, the conversion price was NT$15.6.

(8) Put option:

The bond holders may exercise the put option of the bonds earlier on the record date for exercise of put option, namely, upon expiration of three years after issuance of the bonds (October 15, 2024). The bond holder may demand that U-BEST should redeem the convertible corporate bonds held by him in cash at 100% of the book value of the bond.

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (January 16, 2022) until 40 days prior to expiration of the issuance period (September 5, 2026), U-BEST may recall the convertible corporate bonds according to the Regulations:

A. If the closing price of U-BEST's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days;

B. If the balance of the outstanding bonds is less than NT$30,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled by U-BEST (including those repurchased from OTC markets), repaid or converted by the Company will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

(11) According to the Regulations, he shareholder rights and obligations of the new shares, which are converted since the common shares converted from the convertible corporate bonds are traded on Taipei Exchange after the date of delivery, are the same as those of the common shares issued initially.

5. The subsidiary, U-BEST, issued the domestic 7th secured convertible corporate bonds on November 5, 2021, and listed the bonds on Taipei Exchange, primarily on the following terms and conditions:

(1) Total issued amount: NT$200,000 thousand

(2) Issue price: Issued at 103.76% of the par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Except those converted to the Company's common stock by the bond holders according to Article 10 of the Regulations, those redeemed upon exercise of the put option according to Article 19 of the Regulations, those redeemed by U-BEST earlier pursuant to Article 18 of the Regulations, or those repurchased from OTC markets for cancellation, the others would be repaid in cash in full amount.

(5) Issuance period: 3 years (from November 5, 2021 to November 5, 2024)

(6) Conversion period:

The bond holders may ask U-BEST to convert the convertible corporate bonds hold by them into the Company's common shares from the day following expiration of three months after the bonds were issued (February 6, 2022) until expiration of the bonds (November 5, 2024), other than A. the period for suspension of transfer registration of common stock required by laws; B. 15 business days prior to the date for suspension of transfer registration of allocated bonus shares requested by U-BEST, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights; C. from the record date for capital decrease until the day prior to the trading of stock swapped upon capital decrease, and D. from the commencement date of suspension of conversion for changes in the par value of stocks until the day prior to the swap of new shares.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$14 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. Except for the issuance of common shares upon conversion of securities issued or privately placed by U-BEST with conversion rights into common shares or warrant rights, or the issuance of new shares as employee compensation, when the number of issued or privately placed common shares of U-BEST increases.

B. In the event of the cash dividends on common shares distributed by U-BEST.

C. In the event of U-BEST's further issuance or private placement of various securities with the right of conversion to common shares or stock options at the conversion or stock option price less than the current price per share.

D. In the event of U-BEST's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

As of December 31, 2024, the conversion price was NT$13.

(8) Put option:

The bond holders may exercise the put option of the bonds earlier on the record date for exercise of put option, namely, upon expiration of two years after issuance of the bonds (November 5, 2023). The bond holder may demand that U-BEST should redeem the convertible corporate bonds held by him in cash at 104.04% of the book value of the bond.

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (February 6, 2022) until 40 days prior to expiration of the issuance period (September 25, 2024), U-BEST may recall the convertible corporate bonds according to the Regulations:

A. If the closing price of U-BEST's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days;

B. If the balance of the outstanding bonds is less than NT$20,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled by U-BEST (including those repurchased from OTC markets), repaid or converted by the Company will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

(11) According to the Regulations, he shareholder rights and obligations of the new shares, which are converted since the common shares converted from the convertible corporate bonds are traded on Taipei Exchange after the date of delivery, are the same as those of the common shares issued initially.

6. The subsidiary, HSIN-LI, issued the domestic 1st unsecured convertible corporate bonds on May 27, 2022, and listed the bonds on Taipei Exchange, primarily on the following terms and conditions:

(1) Total issued amount: NT$300,000 thousand

(2) Issue price: Issued at 100% of the par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Except those converted to the Company's common stock by the bond holders according to Article 10 of the Regulations, those redeemed upon exercise of the put option according to Article 19 of the Regulations, those redeemed by HSIN-LI earlier pursuant to Article 18 of the Regulations, or those repurchased from OTC markets for cancellation, HSIN-LI shall repay the convertible corporate bonds at 101.5075% of the par value of the bonds (substantive annual yield 0.5%) in cash in full amount when due.

(5) Issuance period: 3 years (from May 27, 2022 to May 27, 2025)

(6) Conversion period:

The bond holders may ask HSIN-LI to convert the convertible corporate bonds hold by them into the Company's common shares at any time from the day following expiration of three months after the bonds were issued (August 28, 2022) until expiration of the bonds (May 27, 2025), other than A. the period for suspension of transfer registration of common stock required by laws; B. 15 business days prior to the date for suspension of transfer registration of allocated bonus shares requested by HSIN-LI, the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase until the record date for allocation of rights; C. from the record date for capital decrease until the day prior to the trading of stock swapped upon capital decrease, and D. from the commencement date of suspension of conversion for changes in the par value of stocks until the day prior to the swap of new shares, during which no application for conversion (subscription) is allowed.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$27.93 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. Except for the issuance of common shares upon conversion of securities issued or privately placed by HSIN-LI with conversion rights into common shares or warrant rights, or the issuance of new shares as employee compensation, when the number of issued or privately placed common shares of HSIN-LI increases.

B. In the event of the cash dividends on common shares distributed by HSIN-LI.

C. In the event of HSIN-LI's further issuance or private placement of various securities with the right of conversion to common shares or stock options at the conversion or stock option price less than the current price per share.

D. In the event of HSIN-Li's capital decrease resulting from any causes other than cancelation of treasury stocks and thereby resulting in the decrease in common shares.

As of December 31, 2024, the conversion price was NT$26.46.

(8) Put option:

The bond holders may exercise the put option of the bonds earlier on the record date for exercise of put option, namely, upon expiration of two years after issuance of the bonds (May 27, 2024). The bond holder may demand that HSIN-LI should redeem the convertible corporate bonds held by him in cash at 102.01% of the par value of the bond.

(9) Right of redemption:

If any of the following conditions is met from the day following expiration of three months after the issuance (August 28, 2022) until 40 days prior to expiration of the issuance period (April 17, 2025), HSIN-LI may recall the convertible corporate bonds according to the Regulations:

A. If the closing price of HSIN-LI's common shares at Taipei Exchange exceeds the current conversion price by more than 30% for 30 consecutive business days;

B. If the balance of the outstanding bonds is less than NT$30,000 thousand (10% of the initial total issue price).

(10) According to the Regulations, all of the convertible corporate bonds recalled (including those repurchased from OTC markets), repaid or converted by HSIN-LI will be canceled, and no longer sold or issued again. The right of conversion attached thereto shall be extinguished accordingly.

(11) According to the Regulations, he shareholder rights and obligations of the new shares, which are converted since the common shares converted from the convertible corporate bonds are traded on Taipei Exchange after the date of delivery, are the same as those of the common shares issued initially.

7. On November 29, 2024, the subsidiary Feei Cherng issued the 3rd domestic secured convertible corporate bonds. The main terms and conditions of the issuance are as follows:

(1) Total issued amount: NT$400,000 thousand

(2) Issue price: Issued at 103% of the par value, NT$100 thousand.

(3) Coupon rate: 0%

(4) Method of repayment: Unless the bondholders of these convertible corporate bonds convert them into the Company's common shares in accordance with Article 10 of these Terms, or Feei Cherng redeems them early in accordance with Article 18 of these Terms, or Feei Cherng repurchases and cancels them through a securities firm's trading place, the bonds shall be repaid in cash at par value in a lump sum upon maturity.

(5) Issuance period: 3 years (from November 29, 2024 to November 29, 2027).

(6) Conversion period:

Bondholders may, from the day following the expiration of three months after the issuance of the convertible bonds (March 1, 2025) until the maturity date (November 29, 2027), except during the following periods in which conversion requests may not be made: A. during the statutory book closure period for common shares; B. from 15 business days prior to the book closure date for stock dividends, cash dividends, or cash capital increase subscription rights of Feei Cherng until the record date for rights distribution; C. from the capital reduction record date to the day preceding the commencement date of trading of replacement shares issued in connection with the capital reduction; and D. from the commencement date of suspension of conversion due to changes in par value of shares to the day preceding the commencement date of trading of replacement shares, request conversion of the convertible bonds into the Company's common shares in accordance with the Procedures at any time by notifying TDCC through the securities broker and applying to Feei Cherng's stock affairs agent institution.

(7) Conversion price and adjustment thereof:

The conversion price at the time of issuance shall be NT$16.5 per share. Notwithstanding, if any of the following conditions is met upon the issuance of the convertible corporate bonds, the conversion price shall be adjusted based on the formula defined by the issuance terms:

A. Except for the issuance of common shares upon conversion of securities issued or privately placed by Feei Cherng with conversion rights into common shares or warrant rights, or the issuance of new shares as employee compensation, when the number of issued or privately placed common shares of Feei Cherng increases.

B. When Feei Cherng distributes cash dividends on common shares.

C. When Feei Cherng issues or privately places securities with conversion rights into common shares or warrant rights at a conversion or subscription price lower than the prevailing market price per share.

D. When Feei Cherng reduces its common shares not due to cancellation of treasury shares.

As of December 31, 2025 and 2024, the conversion prices were NT$15.7 and NT$16.5, respectively.

(8) Right of redemption:

From the day following the third month after the issuance of the convertible corporate bonds (March 1, 2025) until 40 days prior to the expiry of the issuance period (October 20, 2027), if any of the following conditions are met, Feei Cherng may, in accordance with the issuance terms, redeem the outstanding convertible corporate bonds in cash at par value:

A. When the closing price of Feei Cherng's common shares on the Taipei Exchange exceeds the then conversion price by 30% (inclusive) for 30 consecutive business days.

B. If the balance of the outstanding bonds is less than NT$40,000 thousand (10% of the initial total issue price).

(9) Pursuant to the Regulations, all convertible bonds of Feei Cherng repurchased (including repurchased through securities firms' business premises), redeemed, or converted by Feei Cherng shall be canceled and may not be resold or reissued, and the conversion rights attached thereto shall also be extinguished.

The balance of said convertible corporate bonds is secured by Yuanta Bank as the guarantor. In accordance with the underwriting guarantee agreement for the issuance of convertible corporate bonds entered into between the Feei Cherng and Yuanta Commercial Bank, Feei Cherng provided bank deposits of NT$141,851 thousand and NT$148,653 thousand as collateral for the convertible corporate bonds as of December 31, 2025 and 2024, respectively, during the term of the agreement. Please refer to Note VIII.

(XXII) Operating lease - as a lessor

As the consolidated entities lease the investment property without transferring all risks and remuneration of the ownership of the underlying assets, the lease contract is classified as the operating lease. Please refer to Note VI(XIV) Investment Property.

The maturity analysis of the lease payment will be listed based on the total undiscounted lease payment which will be collected after the reporting date:

		2025.12.31	2024.12.31
Less than one year	$	9,265	16,644
1~2 years		4,726	7,817
2~5 years		7,119	7,576
More than 5 years		331	142
Total undiscounted lease payment	$	21,441	32,179

For the rental revenues generated from the investment property in 2025 and 2024, please refer to Note VI(XXVIII). The direct operating expenses generated from said operating lease in 2025 and 2024 were NT$7,678 thousand and NT$7,517 thousand.

(XXIII) Employee benefits

1. Defined benefit plans

HSIN-LI reached an agreement with its employees in December 2024 to fully settle the years of service under the defined benefit plan. Therefore, HSIN-LI had no defined benefit retirement obligation as of December 31, 2024.

The reconciliation of the present value of the defined benefit obligations and the fair value of plan assets of the consolidated company is as follows:

		2025.12.31	2024.12.31
Present value of defined benefit obligations	$	109,206	44,824
Fair value of plan assets		(128,398)	(46,260)
Net defined benefit assets	$	(19,192)	(1,436)

		2025.12.31
Recognized in:		
Net defined benefit assets (recognized in other non-current assets)	$	(21,918)
Net defined benefit liabilities - non-current		2,726
Total employee benefit liabilities	$	(19,192)

Details of employee benefit liabilities of the consolidated company are as follows:

		2025.12.31
Long-term paid leave liabilities	$	13,211

Contributions for defined benefit plans of the consolidated entities are appropriated to a dedicated pension fund account opened with Bank of Taiwan. The pension payment to each employee that is subject to the Labor Standards Act is based on the pension point received for the years of service and the average salary six months prior to the retirement.

(1) Composition of plan assets

The pension fund appropriated by the consolidated company in accordance with the Labor Standards Act is managed by the Bureau of Labor Funds, Ministry of Labor (referred to as the "Bureau of Labor Funds" hereinafter). According to the "Guidelines for Labor Pension Fund Safekeeping and Implementation," the annual minimum yield generated from the use of fund may not be less than the interest income generated from a local bank's two-year time deposit.

The consolidated company's labor pension fund account at the Bank of Taiwan is with a balance of NT$128,398 thousand and NT$47,349 thousand on December 31, 2025 and 2024. For information of the Labor Pension Fund Asset Management, including the fund yield rate and pension asset allocation, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of defined benefit obligations

The details of changes in the present value of the consolidated company's defined benefit obligation in 2025 and 2024 are as follows:

	2025	**2024**
Defined benefit obligations on January 1	$ 44,824	-
Current service cost and interest	1,004	544
Re-measurement of net defined benefit liabilities (assets)		
- Actuarial gains/losses due to empirical adjustment	(249)	6,361
- Actuarial gains/losses due to change of financial assumption	1,221	(18)
Benefits planned to be paid	(4,337)	(2,450)
Effect of initial consolidation of subsidiaries	66,743	40,387
Defined benefit obligations on December 31	**$ 109,206**	**44,824**

(3) Changes in the fair value of plan assets

The details of changes in the fair value of the consolidated company's defined benefit plan assets in 2025 and 2024 are as follows:

	2025	2024
Fair value of plan assets on January 1	$ 46,260	-
Interest revenue	940	547
Re-measurement of net defined benefit liabilities (assets)		
- Return on plan assets, excluding current interest income	4,353	4,507
Amount already contributed to the plan	360	-
Benefits paid by the plan	(4,337)	(2,450)
Effect of initial consolidation of subsidiaries	80,822	43,656
Fair value of plan assets on December 31	**$ 128,398**	**46,260**

(4) Expenses recognized in profit and loss

The details of expenses recognized by the consolidated company in 2025 and 2024 are as follows:

	2025	2024
Interest cost	**$ 64**	**(3)**
Operating cost	5	-
Selling expenses	15	-
Management expenses	44	(3)
	$ 64	**(3)**

(5) Actuarial assumptions

The principal actuarial assumptions used by the consolidated company to determine the present value of the defined benefit obligations as of the reporting date are as follows:

	2025.12.31	2024.12.31
Discount rate	1.25%~1.375%	1.50%
Future salary increase rate	1.75%~2.5%	1.75%

The consolidated company expects to contribute NT$471 thousand to the defined benefit plan within one year after the 2025 reporting date.

The weighted average duration of the defined benefit plan is 7.8 to 8.4 years.

(6) Analysis of sensitivity

The effect of changes in the adopted principal actuarial assumptions on the present value of defined benefit obligations on December 31, 2025 and 2024 is stated as follows:

		Effect on defined benefit obligations	
		Increase by 0.50%	**Decrease by 0.50%**
December 31, 2025			
Discount rate	$	(3,477)	3,581
Future salary increase rate		3,487	(3,403)
December 31, 2024			
Discount rate	$	(1,962)	2,020
Future salary increase rate		1,978	(1,932)

Said analysis of sensitivity refers to the analysis of the effect produced by any change of single hypothesis under the circumstance that the other hypotheses remain unchanged. In practice, a lot of changes in hypotheses might be structured with each other. The methods used by the analysis of sensitivity are identical with those used to calculate the net pension liabilities in the Balance Sheet.

2. Defined contribution plans

Contribution obligations under the defined contribution plan are recognized as expenses during the period in which employees render services.

The defined contribution plan of the consolidated company is based on the Labor Pension Act. An amount equivalent to 6% of the monthly wages is appropriated to the Labor Pension personal accounts at the Bureau of Labor Insurance. In these plans, after appropriating a fixed amount to the Bureau of Labor Insurance, the consolidated entities have no legal or constructive obligation to make additional contribution.

The subsidiaries in the Group's consolidated financial statements contribute pension insurance premiums in accordance with the pension and retirement insurance systems prescribed by the local governments of their respective countries, based on a certain percentage of the total local employees' salaries. Other than making monthly contributions, the Group has no further obligations.

The pension expenses recognized by the consolidated company under the defined contribution pension plan for 2025 and 2024 were NT$18,970 thousand and NT$8,812 thousand, respectively.

(XXIV) Income tax

1. The Company's income tax expenses are detailed as follows:

	2025	2024
Income tax expenses for the current period		
Generated in the current period	$ 463,923	97,322
Land value increment tax	1,752	1,211
Adjustment to previous year's income tax	1,697	-
	467,372	98,533
Deferred income tax expenses		
Occurrence and reversal of temporary difference	11,159	(964)
Recognition of previously unrecognized tax losses	(98,203)	(42,595)
	(87,044)	(43,559)
Income tax expenses	**$ 380,328**	**54,974**

2. The income tax expenses (benefits) recognized by the consolidated company as other comprehensive income are stated as follows:

	2025	2024
Items not reclassified into income:		
Remeasurement of defined benefit plan	**$ 677**	**(367)**
Items likely to be reclassified into income subsequently:		
Unrealized valuation gains or loss on investment in debt instrument at fair value through other comprehensive income	**$ 5**	**(57)**

3. The relationship between the consolidated entities' income tax expenses and net loss before tax is adjusted as follows:

	2025	2024
Net profit before tax	$ 1,142,246	454,336
Income tax calculated based on the income tax rate of the country the Company operates	228,449	90,867
Tax-free income from land	3,850	(1,964)
Land value increment tax	1,752	1,211
Effect of TWSE's Stop Taxation Policy	(11,529)	2,223
Non-deductible expenses	14,534	12,937

	2025	2024
Tax-exempt dividend income	(2,702)	(2,595)
Valuation gains or losses on financial assets and liabilities at fair value through profit or loss	(3,311)	(10,358)
Recognition of taxation loss not recognized in previous period	(99,031)	(42,595)
Income tax effect of adjustments made in accordance with statutory regulations	(129,028)	-
Deferred income tax assets and overestimation of liabilities in the previous period	6,570	229
Current taxation loss of unrecognized deferred income tax assets	82,741	34,949
Unrecognized changes in temporary difference	35,409	16,070
Imposition on undistributed earnings	35,808	132
Overestimation in the previous period	1,697	-
Realized investment losses	-	(2,312)
Gain recognized in bargain purchase transaction	-	(108,265)
Income basic tax	231,859	29,322
Others	(16,740)	35,123
	$ 380,328	**54,974**

4. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

The items not recognized by the consolidated entities as deferred income tax assets are stated as follows:

	2025.12.31	2024.12.31
Deductible temporary differences	$ 539,900	270,284
Taxation loss	2,117,973	2,607,957
	$ 2,657,873	**2,878,241**

According to the Income Tax Act, taxation may be made on its net income after deduction of losses incurred in the preceding five or ten years as verified and determined by the competent tax collection authority from the current income. Said items were not recognized as deferred income tax assets, because the consolidated entities evaluated that they were not likely to have sufficient taxable income to cover the losses.

As of December 31, 2025, the deduction period of the taxation loss of items which have not yet been recognized deferred income tax assets by the consolidated company is as follows:

Year of loss	Unrecognized Losses yet to be deducted	Last year for deduction
The Company		
2016	$ 82,574	2026
2017	22,012	2027
2019	66,154	2029
2020	135,391	2030
2021	46,458	2031
2022	44,712	2032
2023	124,432	2033
Declared in 2024	112,203	2034
Boromi Optronics Corp.		
Expected to be declared in 2025	30,638	2035
U-BEST Innovative Technology Co., Ltd.		
2021	14,420	2031
2022	11,167	2032
Expected to be declared in 2025	34,376	2035
Feei Cherng Enterprise Co., Ltd.		
2017	21,694	2027
2018	594,723	2028
2020	15,440	2030
2021	41,771	2031
2022	18,188	2032
2023	12,672	2033
Declared in 2024	3,184	2034
GCC		
2020	1,278	2030
2023	35,434	2033
2024	36,029	2034
Expected to be declared in 2025	34,104	2035
Shendong		
2018	10,965	2028
2019	18,222	2029
2020	14,930	2030
2021	33,474	2031
2022	28,265	2032
2023	12,020	2033
2024	19,152	2034
Yuan Qiao		
2023	1,308	2033
GCC Kunshan		
2025	7,038	2030
GCC USA		
(Note)	70,451	(Note)
Sen Tai		
2023	33,311	2033
Declared in 2024	27,257	2034
Expected to be declared in 2025	27,945	2035
HSIN-LI		

Year of loss	Unrecognized Losses yet to be deducted	Last year for deduction
2023	12,210	2033
Declared in 2024	31,195	2034
Expected to be declared in 2025	102,602	2035
PRIT		
2020	29,620	2030
2021	9,624	2031
2022	8,936	2032
2023	77,950	2033
Declared in 2024	2,444	2034
	$ 2,117,973	

(Note) Represents the accumulated tax loss carryforwards from 2005 through 2025. Under U.S. tax law, tax loss carryforwards may be carried forward indefinitely.

(2) Unrecognized deferred income tax liabilities: None.

(3) Recognized deferred income tax assets and liabilities

The changes in the deferred income tax assets and liabilities in 2025 and 2024 are as follows:

Deferred income tax assets:

	Deferred sales expenses	Loss carryforwards	Pension expenses	Others	Total
Balance on January 1, 2025 (adjusted)	$ 4,284	8,729	-	15,647	28,660
(Debit)/credit profit and loss	(4,284)	(8,729)	-	(218)	(13,231)
(Debit)credit other comprehensive income	-	-	-	(5)	(5)
Generated from merger & acquisition	-	-	-	34,472	34,472
Balance on December 31, 2025	**$ -**	**-**	**-**	**49,896**	**49,896**
Balance on January 1, 2024	$ 4,196	5,347	-	2,481	12,024
(Debit)/credit profit and loss	88	3,222	-	(2,151)	1,159
(Debit)credit other comprehensive income	-	-	-	57	57
Generated from merger & acquisition	-	160	-	15,260	15,420
Balance on December 31, 2024 (adjusted)	**$ 4,284**	**8,729**	**-**	**15,647**	**28,660**

Deferred income tax liabilities:

	Land value increment tax	Generated from merger & acquisition	Others	Total
Balance on January 1, 2025 (adjusted)	$ 31,448	47,702	2,429	81,579
(Debit)/credit profit and loss	-	(1,588)	(484)	(2,072)
(Debit)credit other comprehensive income	-	-	677	677
Generated from merger & acquisition	-	76,939	31,837	108,776
Balance on December 31, 2025	**$ 31,448**	**123,053**	**34,459**	**188,960**
Balance on January 1, 2024	$ 31,448	33,738	1,000	66,186
(Debit)/credit profit and loss	-	(846)	1,041	195
(Debit)credit other comprehensive income	-	-	(367)	(367)
Generated from merger & acquisition	-	14,810	755	15,565
Balance on December 31, 2024 (adjusted)	**$ 31,448**	**47,702**	**2,429**	**81,579**

5. The income tax returns of the Company's profit-seeking business have been authorized by the competent tax collection authority up to 2023.

(XXV) Capital and other equity

The total authorized capital-common stocks of the Company were both NT$5,000,000 thousand at the par value of NT$10 per share, divided into 500,000 thousand shares respectively, as of December 31, 2025 and 2024. The shares issued refer to the common stocks totaling 368,531 thousand shares and 301,016 thousand shares, respectively, and all the capital funds for the outstanding shares have been received.

The outstanding stock of the Company (Unit: thousand shares) in 2025 and 2024 is adjusted as follows:

	Common shares	
	2025	**2024**
Balance on January 1	301,016	280,417
Conversion of corporate bonds	1,442	16,138
Exercise of employee stock options	1,073	4,461
Cash capital increase	65,000	-
Balance on December 31	**368,531**	**301,016**

1. Issuance of common stock

During 2025 and 2024, the Company issued 1,073 thousand and 4,461 thousand common shares, respectively, upon the exercise of employee stock options at subscription prices ranging from NT$11.3 to NT$11.6 per share and NT$11.6 per share, respectively. The Company received proceeds of NT$12,276 thousand and NT$51,748 thousand, respectively. All share proceeds for the issued shares had been fully collected, and the relevant statutory registration procedures had been completed.

During 2025 and 2024, 1,442 thousand and 16,138 thousand new shares, respectively, were issued at par value upon the exercise of conversion rights by holders of convertible bonds, with total amounts of NT$14,422 thousand and NT$161,381 thousand, respectively. The relevant statutory registration procedures had been completed.

The Board of Directors resolved to carry out a cash capital increase of NT$650,000 thousand through the issuance of 65,000 thousand shares with a par value of NT$10 per share on October 8, 2024, which was approved by the Financial Supervisory Commission. February 21, 2025 was adopted as the record day for the capital increase, and the legal registration procedures have been completed.

2. Capital surplus

The balance of the Company's capital surplus is as follows:

	2025.12.31	2024.12.31
Stock premium (including convertible corporate bond premium)	$ 431,848	260,867
Changes in net worth of the subsidiary's equity recognized under equity method	487,938	300,137
Elements of equity recognized upon issuance of convertible corporate bonds - employee stock options	39,916	40,792
Treasury stock trading	11,613	14,905
Employee stock options	-	8,299
Others - invalid employee stock options	14,572	8,381
Others - exercise of disgorgement	16,310	16,310
	$ 1,002,197	649,691

Pursuant to the Company Act, the capital surplus shall be first used to offset losses, then new shares or cash may be allocated based on realized capital surplus. The term "realized capital surplus" referred to in the preceding paragraph includes the shares issued at premium excessing the par value and the gains in the form of gifts. According to the Regulations Governing the Offering and Issuance of Securities by the Issuer, the capital surplus that can be capitalized annually shall not exceed 10% of the total paid-in capital.

3. Retained earnings

According to the Company's Articles of Incorporation, the Company may allocate earnings or compensate losses at the end of each half of the fiscal year. When allocating the earnings, the Company shall first pay taxes, make up any losses from past years, retain employee remuneration, and then make contribution of 10% of the balance to the legal reserve, unless the legal reserve reaches the Company total paid-in capital, and also make provision or reversal of special reserves according to the laws and regulations or the requirements of the competent authority. If there is a surplus, the balance and the accumulated undistributed surplus shall be shareholders' bonuses, and the Board shall formulate a distribution proposal. If the distribution is made by way of the issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. Where the same is distributed in cash, the distribution shall be subject to a special resolution made by the Board of Directors. If the Company has annual earnings, it shall first pay taxes, make up any losses from past years, and then make contribution of 10% of the balance to the legal reserve, unless the legal reserve reaches the Company total paid-in capital, and also make provision or reversal of special reserves according to the laws and regulations or the requirements of the competent authority. If there is a surplus, the balance and the accumulated undistributed surplus, beginning shall be allocated subject to the earnings allocation plan proposed by the Board of Directors and resolved by a shareholders' meeting.

Pursuant to Articles 240 and 241 of the Company Act, the Company shall authorize its Board of Directors to distribute dividends, and bonuses, legal reserve and capital reserve in whole or in part in the form of cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Pursuant to the dividend policy stipulated in the Company's original Articles of Incorporation, in order to support the Company's long-term growth, the Company's dividend distribution policy aims to satisfy the future business development. After taking into consideration the conditions, such as robust financial structure, maintenance of stable dividends, and protection of reasonable remuneration to shareholders comprehensively, the Board of Directors prepares the adequate earnings allocation plan. In consideration of the balanced and stable dividend policy, the Company allocates 30% of the distributable earnings as the shareholder bonus at the end of each half of the fiscal year, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends. At least 30% of the distributable earnings upon annual final accounting shall be appropriated as the shareholder bonus, provided that the cash dividend shall be no less than 10% of the total dividends. The Company amended its Articles of Incorporation pursuant to a resolution adopted at the shareholders' meeting on May 22, 2025. Under the dividend policy stipulated in the amended Articles of Incorporation, the Company shall appropriate no less than 10% of distributable earnings for each semi-annual accounting period as shareholders' dividends. However, if distributable earnings are less than 10% of paid-in capital, the Board of Directors may resolve not to distribute dividends. Shareholders' dividends may be distributed in the form of shares or cash, provided that cash dividends shall not be less than 10% of the total dividends. In addition, no less than 10% of distributable earnings after annual settlement each year shall be appropriated as shareholders' dividends, of which cash dividends shall not be less than 10% of the total dividends distributed.

Earnings distribution:

The Company had no accumulated earnings available for distribution in 2023. Therefore, the Company resolved the loss compensation plans 2023 at the annual general meetings on May 29, 2024.

The Company's Board of Directors resolved on August 12, 2024 that no dividends should be distributed in 1H of 2024.

The Company had no accumulated earnings available for distribution in 2024. Therefore, the Company resolved the loss compensation plans 2024 at the annual general meetings on May 22, 2025.

The Company's Board of Directors resolved on August 12, 2025 that no dividends should be distributed in 1H of 2024.

The Company's Board of Directors resolved on March 30, 2026 that no dividends should be distributed in 2H of 2025.

The related information may be accessed on the MOPS.

4. Treasury stock

The changes in the Company's stock held by the subsidiaries in 2025 and 2024 are detailed as follows:

	2025			
Name of Subsidiary	**Quantity of shares, beginning**	**Increase in the current period**	**Decrease in the current period**	**Quantity of shares, ending**
U-BEST Innovative Technology Co., Ltd.	19,983,058	-	-	19,983,058
Feei Cherng Enterprise Co., Ltd.	-	800,000	-	800,000
HSIN-LI	-	10,126,000	-	10,126,000
Myson Century, Inc.	-	2,400,000	2,400,000	-
Zavio Inc.	-	3,200,000	2,400,000	800,000
Yunkang Century	-	3,200,000	2,400,000	800,000
PRIT	-	4,454,000	54,000	4,400,000
Shangyu Construction Co., Ltd.	-	800,000	800,000	-
Boromi Optronics Corp.	-	800,000	800,000	-
	19,983,058	25,780,000	8,854,000	36,909,058

	2024			
Name of Subsidiary	**Quantity of shares, beginning**	**Increase in the current period**	**Decrease in the current period**	**Quantity of shares, ending**
U-BEST Innovative Technology Co., Ltd.	19,983,058	-	-	19,983,058
Feei Cherng Enterprise Co., Ltd.	6,160,903	1,176,135	7,337,038	-
HSIN-LI	4,602,548	1,376,068	5,978,616	-
Myson Century, Inc.	258,291	-	258,291	-
	31,004,800	2,552,203	13,573,945	19,983,058

The Company shall treat the Company's stock held by the investees controlled by it for the purpose of business and property management as the treasury stock when preparing the financial statements. Said companies held the Company's stock totaling 36,909 thousand shares and 19,983 thousand shares, at the market price of NT$564,709 thousand and NT$299,745 thousand, on December 31, 2025 and 2024. The Company stated the carrying amount of treasury stock as NT$56,929 thousand and NT$46,712 thousand, subject to the shareholdings pursuant to the relevant requirements. During 2025 and 2024, due to subsidiaries' disposal of the Company's shares, the Company recognized capital reserve - treasury stock transactions of NT$(3,292) thousand and NT$12,282 thousand, respectively, in accordance with the accounting treatment for treasury stock.

5. Other equity

	Exchange differences on translation of foreign financial statements	**Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income**	**Total**
Opening balance on January 1, 2025	$ (178)	27	(151)
Foreign currency translation difference (net after tax)			
Consolidated entities	1,119	-	1,119
Associate	314	-	314
Unrealized profit or loss from the financial assets at fair values through other comprehensive profit or loss			
Consolidated entities	-	(1,209)	(1,209)
Balance on December 31, 2025	$ 1,255	(1,182)	73
Opening balance on January 1, 2024	$ (182)	197	15
Foreign currency translation difference (net after tax)			

		Exchange differences on translation of foreign financial statements	**Unrealized valuation gain (loss) from financial assets at fair value through other comprehensive income**	**Total**
Consolidated entities		4	-	4
Unrealized profit or loss from the financial assets at fair values through other comprehensive profit or loss				
Consolidated entities		-	(170)	(170)
Balance on December 31, 2024	$	(178)	27	(151)

(XXVI) Share-based payment transactions

Employee stock options

1. The Company adopted the paid employee stock option scheme in July 2020, and estimated the remuneration cost under the fair value method. Meanwhile, it adopted the Black-Scholes Model to estimate the granted quantity, exercise price, vested conditions and hypotheses at the fair value of the stock options on the grant date as follows:

Grant date	109.9.7
Granted quantity	9,000,000 share
Exercise price	Closing price of the common stock on the issuing date
Vested conditions	The exercisable equity rate is 50% upon expiration of two years, 75% upon expiration of three years, and 100% upon expiration of four years.
Projected price fluctuation ratio	36.97%, 45.83% and 43.51% upon expiration of two years, three years and four years, respectively.
Risk-free interest rate	0.29%, 0.30% and 0.32% upon expiration of two years, three years and four years, respectively.
Expected duration	4.5 years
Weighted average fair value of stock options	NT$1.54, NT$2.13 and NT$1.98 upon expiration of two years, three years and four years, respectively.

2. The remuneration costs recognized under the fair value method based on said paid employee stock option scheme in 2025 and 2024 were NT$0 thousand and NT$761 thousand, respectively.

3. The information about quantity and weighted average exercise price related to the Company's paid employee stock option scheme is disclosed as follows:

	2025		2024	
	Weighted average exercise price (NT$)	**Quantity of stock options**	**Weighted average exercise price (NT$)**	**Quantity of stock options**
Outstanding shares on January 1	$ 11.6	3,489,000	11.6	8,020,000
Quantity exercised in the current period	11.3~11.6	(1,073,000)	11.6	(4,461,000)
Invalid quantity in the current period	-	(2,416,000)	-	(70,000)
Outstanding shares on December 31	-	-	11.6	**3,489,000**
Exercisable quantity on December 31	-	-	11.6	**3,489,000**

4. The subsidiary, U-BEST, adopted the paid employee stock option scheme in March 2020, and estimated the remuneration cost under the fair value method. Meanwhile, it adopted the Black-Scholes Model to estimate the granted quantity, exercise price, vested conditions and hypotheses at the fair value of the stock options on the grant date as follows:

Grant date	2020.8.12
Granted quantity	5,000,000 share
Exercise price	Closing price of the common stock on the issuing date
Vested conditions	The exercisable equity rate is 50% upon expiration of two years, 75% upon expiration of three years, and 100% upon expiration of four years.
Projected price fluctuation ratio	37.81%, 40.26% and 38.90% upon expiration of two years, three years and four years, respectively.
Risk-free interest rate	0.27%, 0.30% and 0.32% upon expiration of two years, three years and four years, respectively.
Expected duration	4.5 years
Weighted average fair value of stock options	NT$2.86, NT$3.20 and NT$3.17 upon expiration of two years, three years and four years, respectively.

5. The remuneration costs recognized by the subsidiary, U-BEST, under the fair value method based on said paid employee stock option scheme in 2025 and 2024 were NT$0 thousand and NT$392 thousand, respectively.

6. The information about quantity and weighted average exercise price related to the paid employee stock option scheme of the subsidiary, U-BEST, is disclosed as follows:

	2025		2024	
	Weighted average exercise price (NT$)	**Quantity of stock options**	**Weighted average exercise price (NT$)**	**Quantity of stock options**
Outstanding shares on January 1	$ 11.8	911,500	11.8	3,485,000
Quantity exercised in the current period	11.8	(401,000)	11.8	(2,501,000)
Invalid quantity in the current period	11.8	(510,500)	11.8	(72,500)
Outstanding shares on December 31	-	-	11.8	**911,500**
Exercisable quantity on December 31	-	-	11.8	**911,500**

7. In February 2025, the Company conducted a cash capital increase and reserved 9,750 thousand shares for employee subscription at a subscription price of NT$12 per share. On the grant date, employees actually subscribed for 9,750 thousand shares, and the compensation cost amounted to NT$29,738 thousand, which was recognized under operating expenses.
8. In March 2025, subsidiary Feei Cherng conducted a cash capital increase and reserved 5,200 thousand shares for employee subscription at a subscription price of NT$12 per share. On the grant date, employees actually subscribed for 70 thousand shares, and the compensation cost amounted to NT$283 thousand, which was recognized under operating expenses.

(XXVII) Loss per share

The calculations of basic loss per share and diluted loss per share of the consolidated company are as follows:

	2025	**2024 (adjusted)**
Basic and diluted loss per share:		
Net loss attributed to the Company's common stock shareholders	**$ (170,638)**	**(204,561)**
Weighted average outstanding shares of common stocks (thousand shares)	**329,209**	**272,544**
Basic and diluted loss per share (Unit: NT$)	**$ (0.52)**	**(0.75)**

It is not included in the calculation of diluted earnings per share, as anti-dilution effect will be produced if the potential common stocks are stated in 2025 and 2024.

(XXVIII) Revenue from contracts with customers

1. Details of revenue

	2025	2024
Main territories and markets:		
Taiwan	$ 3,975,110	1,413,233
Vietnam	159,146	-
Asia (exclusive of the territories of Taiwan)	108,995	49,225
Others	161,003	28,776
Total	**$ 4,404,254**	**1,491,234**
Main product/service line:		
PU synthetic resin	$ 385,431	437,077
Dry and wet PU synthetic leather and plastic leather	512,159	246,880
Sales of real estate	228,068	221,216
Construction and engineering revenue	36,971	41,677
Rental revenue from investment property	15,152	14,866
Revenue from selling electricity	16,276	8,026
Daily necessities	335,577	-
Connectors, finished wire products, and electronic products	177,824	-
Apparel accessories	168,791	77,235
Health Food	1,536,452	283,503
Catering revenue	41,190	39,726
Split leather	424,383	98,264
Commission income	486,236	-
Others	39,744	22,764
	$ 4,404,254	**1,491,234**

2. Contract balance

	2025.12.31	2024.12.31	2024.1.1
Notes and accounts receivable	$ 579,744	230,739	138,740
Less: Loss provision	(9,053)	(437)	-
	$ 570,691	**230,302**	**138,740**
Contract assets - information software services	$ 41,387	-	-
Less: Loss provision	-	-	-
	$ 41,387	**-**	**-**

	2025.12.31	2024.12.31	2024.1.1
Contract liability - The King's Landscapes	$ 64,923	17,870	76,150
Contract liability - The Twin Towers	829,180	734,910	542,550
Contract liabilities - Chi Yun	862	20,080	-
Contract liability - Changrong Taishan	71,763	73,377	73,377
Contract liability - Ha Jiu Kyung	160,200	106,467	106,344
Contract liability - Liu Jin	-	23,010	26,480
Contract liability - Liu Xing	57,005	49,782	29,940
Contract liabilities - Cheng Zhi Shu	130,630	104,610	-
Contract liabilities - Cheng Zhi Xin	6,370	-	-
Contract liabilities - Renovation projects	2,787	-	-
Contract liabilities - Information software services	88,382	-	-
Contract liabilities - Sales	21,676	59,783	-
Contract liability - others	32	23	5,756
	$ 1,433,810	**1,189,912**	**860,597**

The balances of contract liabilities on January 1, 2023 and 2022 that were recognized as revenue in 2025 and 2024 were NT$88,173 thousand and NT$26,603 thousand, respectively. In addition, due to order cancellations by sales customers, contract liabilities decreased by NT$46,960 thousand and NT$47,530 thousand during 2025 and 2024, respectively.

(XXIX) Remuneration to employees and directors

The Company amended its Articles of Incorporation pursuant to a resolution adopted at the shareholders' meeting on May 22, 2025. Under the amended Articles of Incorporation, if there is profit for the year, 1% to 10% shall be appropriated as employee remuneration (of which no less than 10% of the appropriated amount shall be distributed to entry-level employees), and no more than 5% shall be appropriated as directors' remuneration. However, profits must first be taken to offset against cumulative losses if any. The recipients of employee remuneration distributed in the form of shares or cash as referred to in the preceding paragraph shall include employees of controlled or subordinate companies meeting certain conditions. Prior to the amendment, the Articles of Incorporation stipulated that if there was profit for the year, 1% to 10% shall be appropriated as employee remuneration and no more than 5% shall be appropriated as directors' remuneration. However, profits must first be taken to offset against cumulative losses if any. The recipients of employee remuneration distributed in the form of shares or cash as referred to in the preceding paragraph shall include employees of controlled or subordinate companies meeting certain conditions.

The Company reported accumulated deficits in 2025 and 2024; therefore, no employee remuneration or directors' remuneration was accrued. There was no difference between such treatment and the resolutions adopted by the Board of Directors. Relevant information is available on MOPS.

(XXX) Non-operating revenue and expenditure

1. Interest revenue

The consolidated entities' interest revenue is stated as follows:

	2025	2024
Interest revenue - bank deposits	$ 15,135	8,562
Interest revenue - financial assets measured at amortized cost	18,712	8,970
Interest revenue - other financial assets	1,580	1,764
Interest revenue - finance lease interest income	516	5
Interest revenue - others	2,017	768
	$ 37,960	20,069

2. Other revenue

The consolidated entities' other revenue is stated as follows:

	2025	2024
Dividend revenue	$ 13,567	12,975

3. Other gains and losses

The consolidated entities' other gains and losses are stated as follows:

	2025	2024
Foreign currency exchange gains (losses)	$ (15,542)	6,817
Rental revenue	8,399	1,984
Net income from disposal of financial assets/liabilities at fair value through profit or loss	55,680	56,743
Loss on disposal of property, plant and equipment	(98)	(16)
Disposal of investment gains under equity method (Note)	856,684	-
Revenue from selling electricity	-	5,756
Impairment loss	-	(3,691)
Profit from lease modification	123	-
Others	(5,474)	37,449
	$ 899,772	105,042

(Note) This represents the gain on disposal of investments accounted for using the equity method recognized upon remeasurement to fair value of the previously held interests in Y-S Electronic and GCC at the date control was obtained.

4. Financial cost

The consolidated entities' financial cost is stated as follows:

	2025	2024
Bank loans	$ (176,291)	(131,556)
Discount and amortization of corporate bonds payable	(18,074)	(6,926)
Imputed interest on security deposit	-	(421)
Interest expenses on lease liabilities	(4,638)	(812)
Short-term bills and notes payable	(5,609)	(3,072)
Others	(56)	(64)
Less: capitalized interest	75,181	17,870
	$ (129,487)	(124,981)

(XXXI) Financial instruments

1. Credit risk

(1) Credit risk exposure

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

(2) Concentration of credit risk

As of December 31, 2024, the consolidated company had a significant concentration of sales with a limited number of customers, with 27% of total accounts receivable attributable to three customers. As of December 31, 2025, the consolidated company did not have significant concentration of sales with any single customer, and its sales regions were diversified. Therefore, there was no significant concentration of credit risk with respect to accounts receivable.

(3) Credit risk over receivables

For the details about credit risk exposures of notes and accounts receivable, please refer to Note VI(V).

Other financial assets measured at amortized cost include certificates of deposit (recognized under "financial assets measured at amortized cost - current and non-current"), other receivables, other financial assets, refundable deposits, and investments in government bonds. No impairment loss was recognized or reversed during 2025 and 2024. Said financial assets are all with low credit risk; therefore, the loss provision for that period should be measured based on the amount of 12-month expected credit loss.

2. Liquidity risk

The contract maturities of financial liabilities are illustrated in the table below, including the estimated interest but not the impact of net amount agreed.

	Carrying amount	Contractual cash flow	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2025							
Non-derivative financial liabilities							
Bank loans (floating interest rate)	$ 6,103,187	6,366,291	1,407,465	2,360,766	1,330,725	1,247,430	19,905
Short-term bills and notes payable (fixed interest rate)	333,336	334,000	334,000	-	-	-	-
Corporate bonds payable (fixed interest rate)	871,806	907,100	112,800	400,000	394,300	-	-
Liabilities without interest	1,267,173	1,272,246	1,046,379	211,875	1,210	-	12,782
Interest-bearing liabilities	50,000	50,748	744	50,004	-	-	-
Lease liabilities	402,088	490,505	41,600	41,119	64,487	128,176	215,123
Long-term loan (including the current portion) (floating interest rate)	263,011	283,299	35,132	30,347	92,238	86,953	38,629
Deposits received	6,894	6,894	2,471	319	2,348	1,536	220
Derivative financial liabilities							
Embedded derivatives	1,076	1,076	-	1,076	-	-	-
	$ 9,298,571	9,712,159	2,980,591	3,095,506	1,885,308	1,464,095	286,659

	Carrying amount	Contractual cash flow	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2024							
Non-derivative financial liabilities							
Bank loans (floating interest rate)	$ 5,554,426	5,901,844	1,295,672	697,434	1,941,502	1,344,938	622,298
Short-term bills and notes payable (fixed interest rate)	399,440	400,000	400,000	-	-	-	-
Corporate bonds payable (fixed interest rate)	880,307	934,000	-	-	134,000	800,000	-
Liabilities without interest	667,224	667,224	667,224	-	-	-	-
Lease liabilities	129,404	139,631	11,390	11,197	20,213	33,413	63,418
Long-term loan (including the current portion) (floating interest rate)	141,790	151,243	48,808	20,720	13,213	49,467	19,035
Deposits received	5,771	5,771	1,127	477	2,378	1,569	220
	$ 7,778,362	8,199,713	2,424,221	729,828	2,111,306	2,229,387	704,971

The consolidated entities do not expect the maturity analysis of cash flows will be significantly pre-matured or the actual amount will be significantly different.

3. Market risk

(1) Exchange rate risk exposure

The consolidated entities' financial assets and liabilities exposed to significant foreign exchange rate risk are as follows:

Unit: NT$ Thousand

	2025.12.31			2024.12.31		
	Foreign currency	Foreign exchange rate	NTD	Foreign currency	Foreign exchange rate	NTD
Financial assets						
Monetary items						
USD:NTD	$ 15,696	31.429	493,312	9,194	32.785	301,406
RMB:NTD	1,983	4.491	8,905	1,185	4.478	5,306
EUR:NTD	263	36.900	9,696	-	-	-
USD:RMB	5,476	6.991	171,832	-	-	-
RMB:USD	31,580	0.143	141,194	-	-	-
HKD:USD	34	7.783	136	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	7,908	31.392	248,244	1,198	32.785	39,276
RMB:NTD	1,304	4.497	5,864	1,492	4.478	6,681
EUR:NTD	97	36.900	3,566	-	-	-
RMB:USD	3,695	0.143	16,520	-	-	-
HKD:USD	385	7.783	1,552	-	-	-

(2) Analysis of sensitivity

The exchange rate risk of the consolidated entities is mainly from foreign currency denominated cash and cash equivalent as well as accounts receivable. Foreign exchange gain and loss arise from the translation. As of December 31, 2025 and 2024, if NTD had depreciated or appreciated by 1% against USD and RMB, respectively, with all other variables held constant, the after-tax net income for 2025 and 2024 would have increased or decreased by NT$4,395 thousand and NT$2,086 thousand, respectively. The analyses for both periods were based on the same assumptions.

(3) Exchange gain or loss of monetary items

The foreign exchange gains (losses) of the consolidated company for 2025 and 2024, including realized and unrealized amounts, were (NT$15,542 thousand) and NT$6,817 thousand, respectively.

4. Interest rate risk

Please refer to the Note regarding liquidity risk management for the interest rate risk exposure of the consolidated entities' financial assets and financial liabilities.

The following analysis of sensitivity is based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of floating rate liabilities is based on the assumption that the outstanding liability amount on the reporting date stays outstanding the entire year. The rate of change used in the consolidated entities' internal report to the management was the interest rate with an increase or decrease by 1%. The interest rate is assessed within the reasonable and possible range of change by the management.

If interest rates had increased or decreased by 1%, with all other variables held constant, the after-tax net income of the consolidated company for 2025 and 2024 would have decreased or increased by NT$50,930 thousand and NT$45,570 thousand, respectively, mainly due to the consolidated company's floating-rate borrowings.

5. Other pricing risk

The effect of the changes in equity price on the reporting date (the analysis of two periods is completed by using the same basis, and assuming all other variables held constant) on the profit and loss is as follows:

	2025		2024	
Securities and fund price on the reporting date	**Other comprehensive income after tax**	**Income after tax**	**Other comprehensive income after tax**	**Income after tax**
Increase by 3%	**$ 1,922**	**9,377**	**1,871**	**12,546**
Decrease by 3%	**$ (1,922)**	**(9,377)**	**(1,871)**	**(12,546)**

6. Information about fair value

(1) Type and fair value of financial instrument

The carrying amount and fair value of the consolidated entities' financial assets and liabilities (including fair value level information) are stated as follows, except the financial instruments measured at fair value with the carrying amount close to the reasonable amount of fair value and the investment in equity instruments without quotation in an active market and of which the fair value cannot be reliably measured:

	2025.12.31				
		Fair value			
	Carrying amount	Class 1	Class 2	Class 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 391,086	390,691	395	-	391,086
Financial assets at fair value through other comprehensive income					
Stocks unlisted on TWSE/TPEx	$ 69,737	-	-	69,737	69,737
Foreign bond investments	10,345	10,345	-	-	10,345
	$ 80,082				
Financial assets measured at amortized cost					
Cash and Cash Equivalents	$ 2,907,472	-	-	-	-
Financial assets measured at amortized cost	1,440,762	-	-	-	-
(V) Notes receivable and accounts receivable (including related party)	570,691	-	-	-	-
Other receivables (including related party)	77,294	-	-	-	-
Other financial assets - current & non-current	536,327	-	-	-	-
Refundable deposits	39,193	-	-	-	-
	$ 5,571,739				
Financial liabilities at fair value through profit or loss					
Financial liabilities designated at fair value through profit or loss	$ 1,076	-	1,076	-	1,076
Financial liabilities measured at amortized cost					
Short-term loans	$ 6,103,187	-	-	-	-
Short-term bills and notes payable	333,336	-	-	-	-
Payables	1,317,173	-	-	-	-
Corporate bonds payable (including the current portion)	871,806	-	874,950	-	874,950
Lease liabilities	402,088	-	-	-	-
Long-term loan (including the current portion)	263,011	-	-	-	-
Deposits received	6,894	-	-	-	-
	$ 9,297,495				

	2024.12.31				
		Fair value			
	Carrying amount	Class 1	Class 2	Class 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 527,902	522,769	5,133	-	527,902
Financial assets at fair value through other comprehensive income					
Stocks unlisted on TWSE/TPEx	$ 67,646	-	-	67,646	67,646
Foreign bond investments	10,318	10,318	-	-	10,318
	$ 77,964				
Financial assets measured at amortized cost					
Cash and Cash Equivalents	$ 1,631,952	-	-	-	-
Financial assets measured at amortized cost	442,276	-	-	-	-
(V) Notes receivable and accounts receivable (including related party)	230,302	-	-	-	-
Other receivables (including related party)	9,629	-	-	-	-
Other financial assets - current & non-current	369,461	-	-	-	-
Refundable deposits	18,501	-	-	-	-
	$ 2,702,121				
Financial liabilities measured at amortized cost					
Short-term loans	$ 5,554,426	-	-	-	-
Short-term bills and notes payable	399,440	-	-	-	-
Payables	667,224	-	-	-	-
Corporate bonds payable (including the current portion)	880,307	-	984,955	-	984,955
Lease liabilities	129,404	-	-	-	-
Long-term loan (including the current portion)	141,790	-	-	-	-
Deposits received	5,771	-	-	-	-
	$ 7,778,362				

The consolidated entities applied the input which was observable in the market as possible as it could when measuring its assets and liabilities. The classes of fair value are concluded as follows based on the input used by the valuation technique:

(1.1) Class 1: Open quotation of the same assets or liabilities in an active market (without adjustment).

(1.2) Class 2: Except the open quotation under Class 1, the import parameter of assets or liabilities may be observable directly (namely, the price) or indirectly (namely, presumed from the price).

(1.3) Class 3: The import parameters of assets or liabilities are not based on observable market information (non-observable parameters).

(2) Fair value valuation technique for the financial instrument not measured at fair value

The financial instruments of the consolidated company not measured at fair value are financial assets and liabilities measured at amortized cost. Except for those with maturities close to the reporting date or for which future receipts and payments approximate the carrying amounts, where the carrying amounts as of the balance sheet date are used to estimate fair value, the methods and assumptions applied are as follows:

If quoted transaction prices or market maker quotations are available, the most recent transaction prices and quotation information shall serve as the basis for assessing fair value. If no market value is available for reference, valuation techniques shall be used for estimation. The estimates and assumptions used in the valuation techniques are based on discounted cash flow models to estimate fair value.

The components of liabilities of the convertible corporate bonds issued by the consolidated entities are estimated under the evaluation method. The estimates and hypotheses used by the evaluation method refer to estimation of fair value by discounted cash flow.

(3) Fair value valuation technique for the financial instrument measured at fair value

(3.1) Non-derivative financial instruments

If quotation in active markets is available, the quotation shall be established as fair values. Market prices published by major stock exchange, and OTC market where is held high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quotation is readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and the quotation represents actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with said definition, then it is considered to be without quotation in active market. In general, any market with wide price difference, significant increase in bid price and low trading volume is an indication of non-active market.

The listed company shares, beneficiary certificates, convertible bonds, and actively traded emerging market shares held by the consolidated company are financial assets with standard terms and conditions traded in active markets, and their fair values are determined by reference to market quotations.

Except for the financial instruments in the active market, the fair value of the other financial instruments is based on the valuation technique or the quotation of the trading counterpart. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data.

If the consolidated entities' financial instruments do not have an active market, wherein their fair values are determined as follows by type and attribute:

- Equity instruments without publicly quoted prices: Their fair values are estimated using discounted cash flow models. The principal assumptions are based on discounting the investees' expected future cash flows using a rate of return that reflects the time value of money and investment risks.

- Equity instruments without publicly quoted prices: Their fair values are estimated using the market comparable company method. The discount effect resulting from the lack of market liquidity of such equity securities has been adjusted.

The shares of unlisted companies held by the consolidated company are classified as financial assets at fair value through other comprehensive income. Their fair values as of December 31, 2025 and 2024 were NT$69,737 thousand and NT$67,646 thousand, respectively. As the shares do not have publicly quoted market prices and their fair values are measured using significant unobservable inputs, they are classified within Level 3.

(3.2) Derivative financial instruments

Based on the valuation models extensively accepted by the users in the market, e.g. discount method and Option Pricing Model. The put rights embedded in the convertible bonds issued by the Company and its subsidiaries, namely U-BEST, and Feei Cherng, were all measured using the binomial tree model and the Monte Carlo simulation method.

(4) No transfer of fair value levels took place in 2025 and 2024.

(5) Details of change in Class 3

	Financial assets at fair value through other comprehensive income
	Equity instruments without publicly quoted prices
Opening balance on January 1, 2025	$ 67,646
Purchase	2,450
Disposal	(50,220)
Acquired through merger	51,400
Recognized in other comprehensive income	(1,539)
Balance on December 31, 2025	**$ 69,737**
Opening balance on January 1, 2024	$ 6,926
Purchase	60,720
Balance on December 31, 2024	**$ 67,646**

(6) Quantitative data used on measuring the fair value of the unobservable major input (Class 3)

The consolidated company's fair value measurements classified within Level 3 consist of financial assets at fair value through other comprehensive income - equity securities investments.

The financial assets held by the consolidated company consist of investments in equity instruments without active markets, which involve multiple significant unobservable inputs. The significant unobservable inputs used in the investments in equity instruments without active markets are independent of one another and therefore have no interrelationship.

The quantitative information on significant unobservable inputs is summarized as follows:

Item	**Valuation technique**	**Unobservable major input**	**Relationship between the unobservable major input and the fair value**
Financial assets at fair value through other comprehensive income - investments in equity instruments without active markets	Market comparable company method	• Discount for lack of marketability (31.73% and 7.69% as of December 31, 2025 and 2024, respectively)	• The higher discount resulting from the lack of market liquidity is, the lower the fair value is.

(7) Fair value measurements in Class 3 – sensitivity analysis of reasonably possible alternative assumptions

The consolidated entities' measurements in fair value of financial instruments are reasonable, but if the consolidated entities use different valuation models or parameters, the measurements may vary. For financial instruments classified within Level 3, if the valuation parameters had increased or decreased by 1%, there would have been no material impact on other comprehensive income for 2025 and 2024.

(XXXII) Financial risk management

1. Overview

The consolidated entities have exposures to the following risks from its financial instruments:

(1) Credit risk
(2) Liquidity risk
(3) Market risk

The consolidated entities' risk exposure information and objectives, policies, and procedures of the risk measured and managed by the consolidated entities are expressed in this Note. For more disclosures about the quantitative effects of the risk exposure, please refer to the respective notes in the consolidated financial statements.

2. Financial risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of its risk management framework. The Board has the Chairman's Office responsible for developing and controlling the consolidated entities' risk management policies.

The consolidated entities' risk management policies are established to identify and analyze the risks faced by the consolidated entities, evaluate the effect posed by the financial risk and execute related policies to evade the financial risk. Risk management policies are reviewed regularly to reflect changes in market conditions and the consolidated entities' activities. The consolidated entities, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The consolidated entities' Board of Directors oversees how the management monitors compliance with the consolidated entities' risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the consolidated entities. The Board of Directors is assisted in their oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews on the financial risk management controls and procedures, the results of which are reported to the Board of Directors.

3. Credit risk

Credit risk is the risk of financial losses faced by the consolidated entities when the customer or the trading counterpart of financial instruments trade is unable to meet its contractual obligations. It is mainly from the consolidated entities' accounts receivables from customers and securities investment.

(1) Accounts receivable and other receivables

The consolidated entities' exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the consolidated entities' customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Manufacturing industry: The consolidated entities have established a credit policy under which each new customer is analyzed individually for creditworthiness before the consolidated entities' standard payment terms are offered. The consolidated entities' review includes external ratings, when available, and in some cases bank references. The procurement limits are established for each customer and reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the consolidated entities only on a advance received basis.

Building industry: The consolidated entities' exposure to credit risk is influenced mainly by the individual characteristics of each customer. The consolidated entities' customers are concentrated in the wide consumer base. In order to mitigate the credit risk over accounts receivable, the consolidated entities demand that the customers should allocate the bank loan to the consolidated entities directly from the lending bank, when the bank grants the loan. Therefore, the credit risk may be controlled effectively.

The consolidated entities have the allowance account set up to reflect the estimated losses of the accounts receivable and other receivables. The allowance account mainly includes specific loss related to individual significant exposure and the combined loss of the similar asset group that have incurred but yet to be identified. The allowance account for combined loss is determined in accordance with the historical payment statistics and forward-looking information of similar financial assets.

(2) Investment

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the consolidated entities' finance department. The consolidated entities' trading counterparts and performing parties are reputable banks and corporate organizations with no significant performance concerns. Therefore, there is no significant credit risk.

(3) Guarantees

Based on the consolidated entities' policies, they may only provide financial guarantees to the subsidiaries wholly owned by them, or mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

4. Liquidity risk

Liquidity risk is the risk that the consolidated entities are unable to pay cash or financial asset to settle the financial liability and unable to perform their obligations. The method applied by the consolidated entities to manage liquidity is to ensure that the consolidated entities in general practice or under pressure has sufficient current fund to liquidate liabilities when due, without incurring unacceptable losses or causing harm to the consolidated entities' reputation.

5. Market risk

Market risk is the risk that the market price change, such as foreign exchange rate, interest rate and equity instrument price change, will affect the consolidated entities' income or risk over the value of financial instruments held by the consolidated entities. The objective of market risk management is to control the market risk exposure within the affordable range and to optimize return on investment.

(1) Interest rate risk

The consolidated entities are exposed to exchange rate risk resulting from the sale and procurement transactions measured with a currency other than the functional currency of the consolidated entities. These transactions are denominated in major currencies including USD and CNY.

Generally, the currency denominating the loan shall adopt the borrower's functional currency. If it is necessary to apply for loan in foreign currency, hedge shall be taken to ensure that the exposure is maintained within the acceptable level.

The consolidated entities adopt the economic hedging to evade the exchange rate risk arising from foreign currency financial liabilities when engaging in financial derivatives trading. The income generated from changes in foreign exchange rate is expected to offset against the income of hedged items generated from changes in foreign exchange rate. Notwithstanding, such income is stated into the valuation gains or losses on financial assets, as it doesn't satisfy the hedging accounting.

(2) Interest rate risk

The fair value or future cash flow fluctuation risk would arise due to changes in interest rate, when the consolidated entities borrow fund. The consolidated entities' policies aim to ensure the exposure of changes in the loan interest rate, and evaluate it based on the market interest rate development. The consolidated entities manage the interest rate risk by maintaining an adequate portfolio consisting of floating and fixed interest rates.

(3) Other market price risk

The equity price risk refers to the risk over the equity instruments held by the consolidated entities resulting from the uncertainty in future price. The consolidated entities engage in multifaceted investment projects, and regularly verify the financial status of equity instruments to manage the price risk over equity instruments.

(XXXIII) Capital management

The policy of the Board of Directors maintains the basis of unimpaired capital. It helps maintain the confidence of the investors, creditors and markets. It also supports future operating development. The Board of Directors controls the rate of return on the capital and also the common stock dividend level.

The consolidated entities meet its objectives for managing capital to safeguard the capacity of continuing operations, to continue to provide a return to its shareholders and other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entities might adjust the stock dividend to be paid, refund of capital to shareholders through capital decrease, issuance of new shares or realization of assets to reduce liabilities.

The consolidated entities control the capital based on the debt to equity ratio. The ratio is net liabilities divided by total capital. The net liabilities refer to the total liabilities listed in the balance sheet less cash and cash equivalents. The total capital refers to the components of equity (namely, capital stock, capital surplus, retained earnings, other equity and non-controlling equity). The debt to equity ratio on the reporting date is as follows:

	2025.12.31	2024.12.31 (adjusted)
Total liabilities	$ 11,348,182	9,126,926
Less: Cash and Cash Equivalents	(2,907,472)	(1,631,952)
Net liabilities	**$ 8,440,710**	**7,494,974**
Total equity	**$ 13,471,614**	**8,906,174**
Debt to equity ratio	**62.66%**	**84.15%**

As of December 31, 2025, the capital management method of the consolidated company remained unchanged.

(XXXIV) Investing and financing activities other than transactions in cash

The reconciliation of liabilities arising from financing activities of the consolidated company for 2025 and 2024 is presented in the table below:

	Short-term loans	Short-term bills and notes payable	Corporate bonds payable (including the current portion)	Lease liabilities	Long-term loan (including the current portion)	Total liabilities from financing activities
Balance on January 1, 2025	$ 5,554,426	399,440	880,307	129,404	141,790	7,105,367
Cash flow						
Cash from loan	2,342,206	-	-	-	142,697	2,484,903
Repayment of loan	(1,815,387)	(66,104)	-	-	(129,834)	(2,011,325)
Repayment of principal for lease	-	-	-	(34,374)	-	(34,374)
Non-cash flow						
Discount and amortization	-	-	18,074	-	-	18,074
Other changes	-	-	(26,575)	21,045	-	(5,530)
Effect of initial consolidation of subsidiaries	21,942	-	-	286,013	108,358	416,313
Balance on December 31, 2025	**$ 6,103,187**	**333,336**	**871,806**	**402,088**	**263,011**	**7,973,428**

	Short-term loans	Short-term bills and notes payable	Corporate bonds payable (including the current portion)	Lease liabilities	Long-term loan (including the current portion)	Total liabilities from financing activities
Balance on January 1, 2024	$ 3,684,276	155,822	1,042,899	13,209	154,081	5,050,287
Cash flow						
Cash from loan	3,014,036	1,091,671	-	-	-	4,105,707
Repayment of loan	(1,312,524)	(848,053)	-	-	(94,291)	(2,254,868)
Repayment of principal for lease	-	-	-	(12,375)	-	(12,375)
Repayment of corporate bonds	-	-	(13,200)	-	-	(13,200)
Issuance of convertible corporate bonds	-	-	812,655	-	-	812,655
Non-cash flow						
Discount and amortization	-	-	6,926	-	-	6,926
Other changes	-	-	(968,973)	32,985	-	(935,988)
Effect of initial consolidation of subsidiaries	168,638	-	-	95,585	82,000	346,223
Balance on December 31, 2024	**$ 5,554,426**	**399,440**	**880,307**	**129,404**	**141,790**	**7,105,367**

VII. Transactions with related parties

(I) Names of related parties and their relationship with the Company

Related parties that have performed transactions with the consolidated entities during the period of the consolidated financial statement include:

Name of related party	Relationship with the consolidated company
Ms. Chang Hui-Feng	Spouse of the Company's Chairman
Mr. Chang Yu-Ming	Major management
Metropolitan International Development Co., Ltd.	Other related party of the consolidated entities
Employee Welfare Committee of U-BEST Innovative Technology Co., Ltd.	Other related party of the consolidated entities
Employee Welfare Committee of HSIN-LI CHEMICAL INDUSTRIAL CORP.	Other related party of the consolidated entities
Employee Welfare Committee of Zavio Inc.	Other related party of the consolidated entities
Employee Welfare Committee of Myson Century, Inc.	Other related party of the consolidated entities
Employee Welfare Committee of Boromi Optronics Corp.	Other related party of the consolidated entities
Employee Welfare Committee of Great Computer Corporation	Other related party of the consolidated entities
Mason Holdings Limited	Its Chairman is the same as the Chairman of the Company and also serves as the institutional director of U-BEST and Feei Cherng.
He Rui Investment Ltd.	Other related party of the consolidated entities

(II) Significant transactions with related parties

1. Operating revenue

The amount of significant transactions between the consolidated entities and related parties is as follows:

	2025	2024
Other related party	$ 18,725	17,730

As there were no comparable transactions of similar goods sales available for reference, the prices were determined through mutual agreement between the parties, and the collection terms were similar to those of general customers. The consolidated company's collection terms with related parties were monthly settlement with 100% remittance in cash. No collateral was collected for the accounts receivable of related parties. After assessment, not impairment loss needed to be recognized.

2. Receivables - related party

The consolidated entities' receivable accounts-related party are stated as follows:

Title	Type of related party	2025.12.31	2024.12.31
Accounts receivable	Other related party	$ 10	21

3. Lease

During 2025 and 2024, the consolidated company incurred rental expenses of NT$1,440 thousand and NT$840 thousand, respectively, for leasing office premises from other related party, Chang Hui-Feng. As of December 31, 2025 and 2024, the amounts arising from the aforementioned transactions had been fully paid. In addition, a security deposit of NT$240 thousand was paid in connection with the transaction and was recognized under refundable deposits.

4. Transaction of property

During 2025 and 2024, the consolidated company acquired computer equipment, computer peripheral equipment, and software from other related party, Big City Network Technology Co., Ltd., which were recognized under property, plant and equipment in the amounts of NT$1,370 thousand and NT$105 thousand, respectively, and operating expenses in the amounts of NT$404 thousand and NT$400 thousand, respectively. As of December 31, 2025 and 2024, the payables arising from the aforementioned transactions amounted to NT$29 thousand and NT$290 thousand, respectively, and were recognized under other payables.

5. Payables for advances made on behalf of others

Related parties advanced salary payments and operating expenses on behalf of the consolidated company. The outstanding balances at the end of the period were as follows:

	2025.12.31	2024.12.31
Major management - Chang Yu-Ming	$ 15	15
Other related party - Big City Network Technology Co., Ltd.	8	-
Other related party - Mason Holdings	8,862	11,542
	$ 8,885	11,557

6. Others

(1) In 2013, the consolidated company entered into a joint construction and sales agreement for land and buildings with the spouse of the Chairman of the Company. As of December 31, 2025 and 2024, the consolidated company had advanced advertising, marketing, and interest expenses attributable to the landowner under the aforementioned joint construction and sales arrangement in the amounts of NT$171 thousand and NT$261 thousand, respectively. Such amounts had not yet been collected as of December 31, 2025 and 2024, and were recognized under other receivables.

(2) The bank borrowings and available credit facilities as of December 31, 2025 and 2024 were jointly and severally guaranteed by the management personnel of the consolidated company.

(3) The domestic third secured convertible bonds of the consolidated company as of December 31, 2025 and 2024 were jointly and severally guaranteed by foreign corporate bonds provided by the consolidated company's key management personnel, Chang Yu-Ming.

(III) Key management personnel transactions

Remuneration to the key management personnel includes the following:

	2025	2024
Short-term employee benefits	$ 208,505	102,205
Post-employment benefits	772	503
Share-based payment	-	113
	$ 209,277	102,821

As of December 31, 2025 and 2024, the costs of leased vehicles recognized by the consolidated company as right-of-use assets and provided for use by key management personnel amounted to NT$803 thousand and NT$1,921 thousand, respectively.

VIII. Assets pledged as collateral or for security

The carrying amount of the consolidated entities' assets pledged as collateral or for security is as follows:

Pledged assets	Objective pledged and guaranteed	2025.12.31	2024.12.31 (adjusted)
Time and demand deposits (Note)	Short-term borrowing facilities, guarantees for corporate bonds payable, land leases, natural gas security deposits, price trust arrangements, and performance guarantees	$ 493,255	369,461
Financial assets at fair value through profit or loss - non-current	Short-term borrowing facilities	-	221,716
Financial assets measured at amortized cost - non-current	Security deposits for credit card terminals, short-term borrowing facilities, and guarantees for corporate bonds	158,234	152,653

Pledged assets	Objective pledged and guaranteed	2025.12.31	2024.12.31 (adjusted)
	payable		
Inventory - land for construction	Short-term borrowing facilities	2,682,418	2,898,362
Inventory - land under construction	Short-term borrowing facilities	3,131,128	2,625,133
Inventory - building under construction	Short-term borrowing facilities	1,476,429	916,396
Inventory - available-for-sale land	Short-term borrowing facilities and endorsement and guarantee collateral	407,320	319,970
Inventory - available-for-sale house	Short-term borrowing facilities	1,747,165	2,024,702
Property, plant and equipment	Short-term and long-term borrowing facilities, guarantees for corporate bonds payable, and short-term commercial paper facilities	1,621,161	1,646,924
Investment property	Guarantees for short-term and long-term loans and short-term bills and notes payable	244,878	251,045
Refundable deposits	Collateral for long-term borrowing facilities	3,200	-
Other financial assets - current & non-current	Customs expedited clearance security deposits, security deposits for credit card terminals, and collateral for short-term borrowing facilities	43,073	-
		$ 12,008,261	11,426,362

Note: Stated as other financial assets - current & non-current.

IX. Major contingent liabilities and unrecognized contractual commitments

Significant unrecognized contractual commitments:

(I) As of December 31, 2025 and 2024, the amounts of unused letters of credit issued by the consolidated company for the purchase of imported raw materials were NT$14,155 thousand and NT$9,968 thousand, respectively.

(II) As of December 31, 2025 and 2024, the total contract prices of real estate sale agreements entered into by the consolidated company with purchasers for its development projects amounted to NT$8,767,028 thousand and NT$8,750,036 thousand, respectively. Amounts collected in accordance with the contracts were NT$1,320,071 thousand and NT$1,110,026 thousand, respectively, and were recognized under contract liabilities - current.

(III) As of December 31, 2025 and 2024, the contracted but unrecognized acquisition costs for property, plant and equipment by the consolidated company amounted to NT$210,310 thousand and NT$44,171 thousand, respectively. Amounts paid in accordance with the contracts were NT$45,982 thousand and NT$26,659 thousand, respectively, and were recognized under property, plant and equipment and other non-current assets.

(IV) As of December 31, 2025 and 2024, the contracted but not yet transferred land purchase contract prices of the consolidated company amounted to NT$410,682 thousand and NT$381,758 thousand, respectively. Amounts paid in accordance with the contracts were NT$82,137 thousand and NT$38,200 thousand, respectively, and were recognized under inventories - prepaid land payments.

Significant contingent matters:

(I) The Baroque Community Management Committee filed a lawsuit against the consolidated company seeking damages of NT$92,817 thousand due to construction quality issues relating to the fire protection equipment in the basement parking lot of the building in dispute. As of the issuance date of the financial statements, the aforementioned case was still pending trial. As the consolidated company is currently unable to assess the possible impact, no related provision has been recognized.

(II) The consolidated company and Coffee Copper Co., Ltd. have certain material disputes regarding the determination of matters relating to delays in project completion and property handover for the The King development project. Accordingly, Coffee Copper Co., Ltd. filed a lawsuit against the consolidated company seeking payment of liquidated damages amounting to NT$22,257 thousand. On August 9, 2024, the Tainan District Court rendered a first-instance judgment against the consolidated company. To protect the rights and interests of the consolidated company, an appeal was filed on August 29, 2024. The aforementioned case was settled through a settlement agreement on September 10, 2025, pursuant to which the consolidated company was required to pay liquidated damages of NT$18,800 thousand to Coffee Copper Co., Ltd. As of December 31, 2025, the aforementioned amount had been fully paid.

(III) The consolidated company forfeited payments amounting to NT$19,533 thousand due to breaches of contract by certain purchasers. Such purchasers filed a lawsuit against the Company seeking a reduction of the liquidated damages. As of the issuance date of the financial statements, the aforementioned case was still pending trial. As the consolidated company is currently unable to assess the possible impact, no related provision has been recognized.

X. Losses due to major disasters: None.

XI. Significant subsequent events

(I) During the construction period of the "Liu Jin" development project contracted by the consolidated company, a collapse of adjacent buildings occurred in April 2024. As of March 30, 2026, the case had been settled with all affected property owners, and purchase agreements for the damaged properties had been executed. The compensation matters arising from this occupational safety incident had been properly resolved.

(II) On March 30, 2026, the Board of Directors of the Company resolved to ratify the acquisition of 13,832 thousand shares of Lissome Art & Culture Co., Ltd. at a total acquisition price of NT$138,322 thousand.

(III) On March 30, 2026, the Board of Directors of the Company resolved to conduct a private placement through a cash capital increase by issuing new shares, with the issuance amount not exceeding 100,000 thousand shares at a par value of NT$10 per share.

(IV) The subsidiaries of the consolidated company, Yunkang Century Co., Ltd. and Zhaohe Biomedical Co., Ltd., respectively resolved at their Board of Directors meetings held on March 26, 2026 and March 20, 2026 to issue 2,900 thousand and 4,000 thousand new shares, respectively, at NT$10 per share.

(V) On March 26, 2026, the subsidiary of the consolidated company, Create E-commerce Co., Ltd., resolved at its Board of Directors meeting to conduct a cash capital increase in the amount of NT$5,000 thousand.

(VI) On March 30, 2026, Myson Century, Inc. resolved at its Board of Directors meeting to participate in the cash capital increases of its subsidiaries, Yunkang Century Co., Ltd. and Zhaohe Biomedical Co., Ltd., by subscribing for 2,900 thousand shares and 2,040 thousand shares, respectively, at NT$10 per share.

(VII) On March 30, 2026, Myson Century, Inc. resolved at its Board of Directors meeting to participate in the cash capital increase of its subsidiary, Create E-commerce, with a cash contribution of NT$5,000 thousand.

(VIII) On March 30, 2026, Myson Century, Inc. resolved at its Board of Directors meeting to execute a treasury share repurchase from March 31, 2026 to June 1, 2026, with a maximum repurchase amount of 2,500 thousand shares.

(IX) In January 2026, Tai Bao Da, a subsidiary of Myson Century, Inc., acquired 650 thousand shares, 500 thousand shares, and 250 thousand shares of CHEN-YANG Insurance Broker Co., Ltd., Jin Feng Insurance Broker Co., Ltd., and Kingfong Insurance Broker Co., Ltd., respectively, for transaction amounts of NT$48,750 thousand, NT$44,000 thousand, and NT$34,750 thousand, respectively. The new shareholding ratio in each company was 51%, and control was obtained upon acquisition, resulting in such companies becoming subsidiaries of the consolidated company.

(X) In January 2026, Tai Bao Da, a subsidiary of Myson Century, Inc., acquired 2,040 thousand shares of its grandchild company Hua Han, with a transaction amount of NT$189,720 thousand. The new shareholding ratio is 78%.

XII. Others

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

By function / By nature	2025 Classified as operating cost	2025 Classified as operating expenses	2025 Total	2024 Classified as operating cost	2024 Classified as operating expenses	2024 Total
Employee benefit expenses						
Salary expenses	189,403	567,430	756,833	90,591	267,120	357,711
Labor/national health insurance expenses	14,089	23,784	37,873	7,224	12,503	19,727
Pension expenses	6,653	12,381	19,034	3,491	5,318	8,809
Other employee benefit expenses	10,295	19,136	29,431	3,605	10,060	13,665
Depreciation expenses	68,422	44,580	113,002	44,543	23,660	68,203
Amortization expenses	9,460	7,787	17,247	4,868	3,040	7,908

XIII. Disclosures in notes

(I) Information on significant transactions

The information about significant transactions to be disclosed by the consolidated company pursuant to the Regulations Governing the Preparation of Financial Reports in 2025 is stated as follows:

1. Loaning of fund to others:

No.	Lender	Borrower	Accounting title	Related party or not?	Current maximum amount	Balance, ending	Drawdown (Note 7)	Interest rate range	Nature of loans to others	Business transaction amount	Reasons of necessary short-term financing	Amount recognized in loss provision	Collateral Name	Collateral Value	Limit of loans to individual borrowers	Limit of total loans	Remark
0	The Company	Shangyu Construction Co., Ltd.	Other receivables	Yes	100,000	100,000	-	3%	Needs for short-term financing	-	Working capital	-	-	-	1,036,858 (Note 1)	1,658,973 (Note 1)	-
0	The Company	Boromi Optronics Corp.	Other receivables	Yes	200,000	-	-	3%	Needs for short-term financing	-	Working capital	-	-	-	1,036,858 (Note 1)	1,658,973 (Note 1)	-
0	The Company	Myson	Other receivables	Yes	100,000	100,000	100,000	3%	Needs for short-term financing	-	Working capital	-	-	-	1,036,858 (Note 1)	1,658,973 (Note 1)	-
0	The Company	Zavio Inc.	Other receivables	Yes	30,000	30,000	-	3%	Needs for short-term financing	-	Working capital	-	-	-	1,036,858 (Note 1)	1,658,973 (Note 1)	-
0	The Company	U-BEST Innovative Technology Co., Ltd.	Other receivables	Yes	100,000	100,000	50,000	3%	Needs for short-term financing	-	Working capital	-	-	-	1,036,858 (Note 1)	1,658,973 (Note 1)	-
1	Feei Cherng Enterprise	Sen Tai	Other receivables	Yes	100,000	-	-	3%	Needs for short-term	-	Working capital	-	-	-	219,463 (Note 2)	438,927 (Note 2)	-

Notes to Consolidated Financial Statements of SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries (Cont'd)

No.	Lender	Borrower	Accounting title	Related party or not?	Current maximum amount	Balance, ending	Drawdown (Note 7)	Interest rate range	Nature of loans to others	Business transaction amount	Reasons of necessary short-term financing	Amount recognized in loss provision	Collateral		Limit of loans to individual borrowers	Limit of total loans	Remark
													Name	Value			
	Co., Ltd.								financing								
2	Myson Century, Inc.	Zavio Inc.	Other receivables	Yes	50,000	50,000	-	3.244%	Needs for short-term financing	-	Working capital	-	-	-	461,282 (Note 3)	738,052 (Note 3)	-
2	Myson Century, Inc.	Yuan Qiao	Other receivables	Yes	15,000	15,000	-	3.244%	Needs for short-term financing	-	Working capital	-	-	-	461,282 (Note 3)	738,052 (Note 3)	-
2	Myson Century, Inc.	Yunkang Century	Other receivables	Yes	15,000	15,000	-	3.244%	Needs for short-term financing	-	Working capital	-	-	-	461,282 (Note 3)	738,052 (Note 3)	-
2	Myson Century, Inc.	Tai Bao Da Investment Holding Co., Ltd.	Other receivables	Yes	50,000	50,000	50,000	3.244%	Needs for short-term financing	-	Working capital	-	-	-	461,282 (Note 3)	738,052 (Note 3)	-
3	Boromi Optronics Corp.	Shangyu Construction Co., Ltd.	Other receivables	Yes	10,000	-	-	3%	Needs for short-term financing	-	Working capital	-	-	-	79,746 (Note 4)	127,594 (Note 4)	-
3	Boromi Optronics Corp.	Zavio Inc.	Other receivables	Yes	10,000	-	-	3%	Needs for short-term financing	-	Working capital	-	-	-	79,746 (Note 4)	127,594 (Note 4)	-
3	Boromi Optronics Corp.	Tuomi Innovation Technology Co., Ltd.	Other receivables	Yes	60,000	60,000	60,000	3.244%	Needs for short-term financing	-	Working capital	-	-	-	79,746 (Note 4)	127,594 (Note 4)	-
4	Shangyu Construction Co., Ltd.	Myson Century, Inc.	Other receivables	Yes	100,000	100,000	50,000	3.244%	Needs for short-term financing	-	Working capital	-	-	-	270,362 (Note 5)	432,580 (Note 5)	-
5	Zavio Inc.	Tuomi Innovation Technology Co., Ltd.	Other receivables	Yes	30,000	30,000	30,000	3.244%	Needs for short-term financing	-	Working capital	-	-	-	44,180 (Note 6)	70,688 (Note 6)	-

(Note 1) According to the Company's Operating Procedure for Loaning to Others, the limit amount of total loans shall not exceed 50% of the net worth, provided that the limit amount of total loans to another person in need of short-term financing shall not exceed 40% of the net worth, and 25% in the case of a single enterprise. For the borrower trading with the Company, the limit amount on the loan to individual borrower shall be no more than the amount of transaction between both parties. The limit amount of loaning between foreign companies in which he Company owns directly or indirectly 100% of voting rights shall be no more than 25% of the net worth of the companies, and for a term of one year.

(Note 2) The total amount of funds loaned by Feei Cherng to others and the limit for loans to a single enterprise shall not exceed 20% and 10% of Feei Cherng's net worth, respectively.

(Note 3) The total amount of funds lent by Myson and the individual limits for each borrower are as follows:

1. The total amount of funds lent shall not exceed 50% of Myson's net worth, and the amount of funds lent to a single enterprise shall not exceed 25% of Myson's net worth.
2. For companies or businesses with short-term financing needs, the total amount of funds lent shall not exceed 40% of Myson's net worth.
3. For companies or businesses that have business transactions with Myson, the total amount of funds lent shall not exceed 25% of Myson's net worth. The amount of each individual loan shall not exceed the amount of business transactions between the parties during the most recent fiscal year. The term "amount of business transactions" refers to whichever is higher between the purchase amount and the sales amount between the parties.

(Note 4) The total limit for funds loaned by Boromi Optronics Corp. shall not exceed 50% of its net worth; however, where funds are loaned to others due to short-term financing needs, the total limit shall not exceed 40% of its net worth. The limit for loans to a single enterprise shall not exceed 25% of its net worth. For parties having business transactions with Boromi Optronics Corp., the amount of each individual loan shall not exceed the amount of business transactions between the parties.

(Note 5) The total limit for funds loaned by Shangyu Construction Co., Ltd. shall not exceed 50% of its net worth; however, where funds are loaned to others due to short-term financing needs, the total limit shall not exceed 40% of its net worth. The limit for loans to a single enterprise shall not exceed 25% of its net worth. For parties having business transactions with Shangyu Construction Co., Ltd., the amount of each individual loan shall not exceed the amount of business transactions between the parties.

(Note 6) The total limit for funds loaned by Zavio Inc. shall not exceed 50% of its net worth; however, where funds are loaned to others due to short-term financing needs, the total limit shall not exceed 40% of its net worth. The limit for loans to a single enterprise shall not exceed 25% of its net worth. For parties having business transactions with Zavio Inc., the amount of each individual loan shall not exceed the amount of business transactions between the parties.

(Note 7) Already written off during the preparation of the consolidated financial statements.

2. Making of endorsements/guarantees for others:

No.	Endorser /guarantor	Endorsed /guaranteed party		Limits on endorsements /guarantees for a single enterprise	Current maximum endorsement /guarantee balance	Endorsement /guarantee balance - ending	Drawdown	Endorsement /guarantee amount secured with property as collateral	Ratio of the cumulative endorsement /guarantee amount to the net worth in the most recent financial statements	Maximum endorsements /guarantees	Endorsement /guarantee made by the parent company for its subsidiaries	Endorsements /guarantees made by the subsidiaries for the parent company	Endorsement /guarantee made for the operations in Mainland China	Remark
		Company Name	Relationship											
1	U-BEST Innovative Technology Co., Ltd.	The Company	(Note 1)	2,173,939 (100% of the Company's net worth)	71,203	71,203	60,285	-	3.28%	4,347,878 (200% of the Company's net worth)	-	Y	-	(Note 2)

(Note 1): Mutual endorsements/guarantees for another company in the same industry for purposes of undertaking a construction project.

(Note 2): Already written off during the preparation of the consolidated financial statements.

3. Significant marketable securities held at the end of year (excluding the equity held by invested subsidiaries, affiliates and joint ventures):

Unit of shares: Thousand shares

Holder	Type and name of securities	Relationship with the securities issuer	Ledger account	Ending				Maximum shareholding ratio or capital contribution during the period (shares or unit)	Remark
				Quantity of shares	Carrying amount	Shareholding	Fair value		
The Company	Stock of BinShi TaiLu Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current:	1,295	11,746	7.00 %	11,746	7.00 %	-
U-BEST Innovative Technology Co., Ltd.	Stocks of SUN YAD	The Company	〃	19,983	305,741	5.42 %	305,741	6.64 %	(Note 1)
HSIN-LI	Stocks of E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	1,402	47,330	0.01 %	47,330	0.02 %	-
HSIN-LI	Stocks of TAIWAN BUSINESS BANK, LTD.	-	〃	8,205	131,282	0.08 %	131,282	0.11 %	-
HSIN-LI	Stocks of TS Financial Holding Co., Ltd.	-	〃	9,170	187,070	0.04 %	187,070	0.07 %	-
HSIN-LI	Stocks of SUN YAD	The Company	〃	10,126	154,928	2.75 %	154,928	2.75 %	(Note 1)
Feei Cherng Enterprise Co., Ltd.	Stocks of SUN YAD	The Company	Financial assets at fair value through profit or loss - current	800	12,240	0.22 %	12,240	0.22 %	(Note 1)
Feei Cherng Enterprise Co., Ltd.	U.S. Treasury bonds	-	Financial assets measured at amortized cost - non-current	-	141,851	- %	141,851	- %	-
PRIT	Stocks of SUN YAD	The Company	Financial assets at fair value through profit or loss - non-current	4,400	67,320	1.19 %	67,320	1.21 %	(Note 1)
PRIT	HANPIN ELECTRON CO., LTD.	-	Financial assets at fair value through profit or loss - current	322	14,780	0.40 %	14,780	0.40 %	-
Myson Century, Inc.	U.S. Treasury bonds	-	Financial assets measured at amortized cost - non-current	-	40,958	- %	40,958	- %	-

Holder	Type and name of securities	Relationship with the securities issuer	Ledger account	Ending				Maximum shareholding ratio or capital contribution during the period (shares or unit)	Remark
				Quantity of shares	Carrying amount	Shareholding	Fair value		
Zavio Inc.	Stocks of SUN YAD	The Company	Financial assets at fair value through profit or loss - current	800	12,240	0.22 %	12,240	0.22 %	(Note 1)
Yunkang	Stocks of SUN YAD	The Company	Financial assets at fair value through profit or loss - current	800	12,240	0.22 %	12,240	0.22 %	(Note 1)
Y-S Electronic	Common shares of foreign unlisted company - TELD ECO CHARGER LTDA	-	Financial assets at fair value through other comprehensive income - non-current:	7,346	51,400	14.69 %	51,400	14.69 %	-

(Note 1): Restated as treasury stocks.

(Note 2) Disclosure is made only for marketable securities with amounts exceeding NT$10 million.

4. The purchase and sales conducted with the related parties for an amount over NT$100 million or 20% of paid-in capital:

Purchaser/seller	Trading counterpart	Relationship	Transactions				The circumstances of and reasons for the trading conditions different from general transactions		Accounts/notes receivable (payable)		Remark
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount	Credit period	Unit price	Credit period	Balance	Percentage in total accounts/notes receivable (payable)	
The Company	Shangyu Construction Co., Ltd.	Subsidiary	Contract awarding	475,119	77.70 %	Paid in installment per the contract and work progress	-	-	(11,512)	17.15%	-
Shangyu Construction Co., Ltd.	The Company	Parent company	Engineering revenue	236,314 (Note)	72.44 %	Paid in installment per the contract and work progress	-	-	-	-%	-
Myson	The Company	Parent company	Engineering and sales revenue	122,080 (Note)	11.66 %	Paid in installment per the contract and work progress	-	-	3,150	8.28%	-

(Note): The contractor recognized the construction revenue under the Percentage of Completion Method.

5. The receivables-related party for an amount over NT$100 million or 20% of paid-in capital:

Stated company of account receivable	Name of trading counterpart	Relationship	Balance of receivables - related party (Note)	Turnover rate	Overdue receivables - related party		Subsequent recovered amount of receivables - related party	Amount recognized in loss provision
					Amount	Treatment		
The Company	Myson Century, Inc.	Parent and subsidiary companies	100,160	-	-	-	-	-
GCC HK	GCC	Parent and subsidiary companies	111,632	1.28%	-	-	19,024	-
Certerline Holdings Limited	Y-S Electronic	Parent and subsidiary companies	149,484	3.29%	-	-	53,897	-
Dongguan Shendong	Certerline Holdings Limited	Affiliates	169,811	2.90%	-	-	53,431	-

(Note): Already written off during the preparation of the consolidated financial statements.

6. Business relationship and major transactions between the parent company and subsidiaries:

No.	Name of trader	Trading counterpart	Relationship with the trader (Note 1)	Transaction			
				Title	Amount (Note 2)	Trading terms	Percentage of consolidated total operating revenue or total assets (Note 3)
1	U-BEST Innovative Technology Co., Ltd.	PRIT	3	Operating revenue	61,310	O/A 98 days	1.39%
2	Shangyu Construction Co., Ltd.	The Company	2	Operating revenue	229,048	Collected in installment per the contract and work progress	5.20%
2	Shangyu Construction Co., Ltd.	Feei Cherng Enterprise Co., Ltd.	3	Operating revenue	70,682	Collected in installment per the contract and work progress	1.60%
3	Myson Century, Inc.	The Company	2	Operating revenue	122,080	Collected in installment according to the contract	2.77%
3	Myson Century, Inc.	U-BEST Innovative Technology Co., Ltd.	3	Operating revenue	51,579	Collected in installment per the contract and work progress	1.17%

(Note 1): Indication of the relationship with trader

1. Parent company to a subsidiary.
2. A subsidiary to the parent company.
3. A subsidiary to a subsidiary.

(Note 2): Said transactions have already been written off during the preparation of the consolidated financial statements.

(Note 3): For assets and liabilities, the percentage of transaction amount to the consolidated total operating revenue or total assets is shown as the percentage of the balance, ending to the consolidated total assets. For income, it shall be shown as the percentage of accumulated amount in the consolidated total operating revenue.

(Note 4): Disclosure is made only for balance sheet items accounting for more than 1% of consolidated total assets and income statement items accounting for more than 1% of consolidated total operating revenue.

(II) Information on investees:

The information about investees (excluding the invested business in China) of the consolidated company in 2025 is stated as follows:

Name of investing company	Name of Investee	Location	Main business	Original investment amount		Held at year end			Highest shareholding in the interim or contribution status	Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2025.12.31)	End of the previous period (2024.12.31)	Quantity of shares (shares)	Ratio	Carrying amount				
The Company	Victory Enterprises Limited	Samoa	Investment	5,123 (USD 163 thousand) (Note 1)	5,344 (USD 163 thousand) (Note 1)	162,500	64.36%	66	64.36%	-	-	(Note 2)
The Company	U-BEST Innovative Technology Co., Ltd.	Taiwan	Manufacturing and trading of polyester resin, adhesive and surface treatment agent	240,847	240,847	22,506,152	12.64%	213,840	12.64%	(360,580)	(45,589)	(Note 2)
The Company	Shangyu Construction Co., Ltd.	Taiwan	Building industry	207,603	207,603	70,353,972	99.99%	462,659	99.99%	(25,483)	(47,552)	(Note 2)
The Company	Myson Century, Inc.	Taiwan	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	80,216	80,216	50,147,340	17.17%	334,570	17.17%	1,583,987	263,893	(Note 2)
The Company	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	194,420	194,420	22,000,000	9.95%	220,349	13.04%	(73,673)	(7,659)	(Note 2)
The Company	Y-S Electronic	Taiwan	Electronic components industry	36,433	-	1,457,313	4.22%	72,605	4.22%	5,702	207	(Note 2)
Victory Enterprises Limited	Acme International Management Inc.	Samoa	Investment	-	-	-	100.00%	-	100.00%	-	-	(Note 2)
U-BEST Innovative Technology Co., Ltd.	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	338,889	334,830	28,396,121	12.86%	267,442	16.88%	(73,673)	(11,694)	(Note 2)
U-BEST Innovative Technology Co., Ltd.	HSIN-LI	Taiwan	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	135,505	137,268	11,787,296	12.46%	595,774	12.64%	(323,876)	(36,779)	(Note 2)
Feei Cherng Enterprise Co., Ltd.	Sen Tai	Taiwan	Construction and engineering	144,080	144,071	12,242,623	99.94%	41,835	99.94%	(30,240)	(31,895)	(Note 2)
Myson Century, Inc.	Zavio Inc.	Taiwan	Apparel trading industry	68,274	68,274	9,252,628	100.00%	179,905	100.00%	241,742	241,742	(Note 2)
Myson Century, Inc.	YUAN QIAO Corporation	Taiwan	Restaurants	19,200	19,200	(Note 6)	80.00%	17,019	80.00%	(1,443)	(1,154)	(Note 2)
Myson Century, Inc.	Yunkang Century	Taiwan	Wholesale of Foods and Groceries	22,500	22,500	1,500,000	100.00%	70,742	100.00%	148,518	147,169	(Note 2)
Myson Century, Inc.	Hua Han	Taiwan	Insurance brokerage industry	-	-	-	- %	-	27.00%	18,584	4,803	(Note 2, 4 and 7)
Myson Century, Inc.	Zhaohe Biomedical	Taiwan	Wholesale of Foods and Groceries	5,100	-	510,000	51.00%	6,490	51.00%	2,914	1,486	(Note 2)
Myson Century, Inc.	Create E-commerce Co., Ltd.	Taiwan	Operation of online social media platforms and product sales	29,000	-	(Note 6)	100.00%	30,746	100.00%	1,887	1,887	(Note 2)

Notes to Consolidated Financial Statements of SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries (Cont'd)

Name of investing company	Name of Investee	Location	Main business	Original investment amount		Held at year end			Highest shareholding in the interim or contribution status	Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2025.12.31)	End of the previous period (2024.12.31)	Quantity of shares (shares)	Ratio	Carrying amount				
Myson Century, Inc.	HSIN-LI	Taiwan	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	-	-	-	- %	-	2.63%	-	-	(Note 2)
Myson Century, Inc.	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	-	-	-	- %	-	0.14%	(73,673)	(403)	(Note 2)
Myson Century, Inc.	Y-S Electronic	Taiwan	Electronic components industry	215,000	-	8,600,000	24.91%	428,388	24.91%	5,702	1,351	(Note 2 and 3)
Myson Century, Inc.	Great Computer Corporation	Taiwan	Manufacture of computerized cutting plotters and laser engraving machines	199,998	-	12,499,903	30.00%	678,744	30.00%	(13,140)	(4,462)	(Note 2 and 3)
Myson Century, Inc.	Tai Bao Da Investment Holding Co., Ltd.	Taiwan	Investment	140,000	-	14,000,000	70.00%	115,307	70.00%	(187)	(131)	(Note 2)
Myson Century, Inc.	Tuomi Innovation Technology Co., Ltd.	Taiwan	Operation of online social media platforms and product sales	30,000	-	1,500,000	51.00%	30,658	51.00%	1,289	658	(Note 2 and 3)
Myson Century, Inc.	Winho Tech Co., Ltd.	Taiwan	Information Software Services	118,329	-	240,411	23.34%	116,239	23.34%	(2,046)	(478)	(Note 2 and 3)
Myson Century, Inc.	GRIT BIOTECHNOLOGY CO., LTD.	Taiwan	Wholesale of Foods and Groceries	2,550	-	255,000	51.00%	2,416	51.00%	(263)	(134)	(Note 2)
Myson Century, Inc.	Century Global Co., Ltd.	Taiwan	Wholesale of Foods and Groceries	-	-	-	- %	-	51.00%	80,868	41,242	(Note 2, 3 and 7)
Zavio Inc.	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	-	-	-	- %	-	2.15%	(62,874)	(355)	(Note 2)
Yunkang Century	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	-	-	-	- %	-	7.72%	(62,874)	(303)	(Note 2)
Tai Bao Da Investment Holding Co., Ltd.	Hua Han	Taiwan	Insurance brokerage industry	100,440	-	1,080,000	27.00%	65,407	27.00%	-	(Note 5)	(Note 2)
Tai Bao Da Investment Holding Co., Ltd.	CHEN-YANG Insurance Broker Co., Ltd.	Taiwan	Insurance brokerage industry	50,700	-	676,000	26.00%	50,397	26.00%	(1,163)	(Note 5)	(Note 2)
Tai Bao Da Investment Holding Co., Ltd.	Kingfong Insurance Broker Co., Ltd.	Taiwan	Insurance brokerage industry	45,760	-	520,000	26.00%	45,760	26.00%	-	(Note 5)	(Note 2)
Tai Bao Da Investment Holding Co., Ltd.	KING-FONG CONSULTANT CO., LTD.	Taiwan	Other Consulting Service	36,140	-	260,000	26.00%	36,140	26.00%	-	(Note 5)	(Note 2)
Y-S Electronic	Bravo Tech Holdings Limited	Samoa	Engagement in various investment businesses	115,132 (HKD 30,100)	115,132 (HKD 30,100)	3,883,870	100.00%	217,203	100.00%	15,564	(Note 5)	(Note 2)

Notes to Consolidated Financial Statements of SUN YAD CONSTRUCTION CO., LTD. and Its' Subsidiaries (Cont'd)

Name of investing company	Name of Investee	Location	Main business	Original investment amount		Held at year end			Highest shareholding in the interim or contribution status	Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2025.12.31)	End of the previous period (2024.12.31)	Quantity of shares (shares)	Ratio	Carrying amount				
Bravo	Yellow SkyHoldings Limited	Samoa	Engagement in various investment businesses	114,743 (HKD 30,000)	114,743 (HKD 30,000)	3,870,970	100.00%	223,074	100.00%	16,617	(Note 5)	(Note 2)
Bravo	CenterlineHoldings Limited	Samoa	Sale of connecting wires, signal converters, and plastic and metal accessories items	389 (HKD 100)	389 (HKD 100)	30,000	100.00%	(4,580)	100.00%	(1,054)	(Note 5)	(Note 2)
GCC	GCC International Co., Ltd.	Samoa	International Trade	402,381	402,381	12,796	100.00%	342,424	100.00%	3,332	(Note 5)	(Note 2)
GCC	GCC America, Inc.	USA	Trading of cutting machines	78,613	78,613	2,500	100.00%	6,796	100.00%	(224)	(Note 5)	(Note 2)
GCC	GCC Europe B. V.	Europe	Provision of after-sales services on behalf of the parent company	9,235	9,235	250	100.00%	9,422	100.00%	2,397	(Note 5)	(Note 2)
GCC Kunshan	GCC (HK) TRADING LIMITED	Hong Kong	International Trade	31,131	31,131	(Note 6)	100.00%	33,640	100.00%	(35)	(Note 5)	(Note 2)
Tuomi Innovation	Lovewell International Co., Ltd.	Taiwan	Wholesale of Foods and Groceries	200	-	(Note 6)	100.00%	809	100.00%	418	(Note 5)	(Note 2 and 4)
Tuomi Innovation	Tuowei Innovation Technology Co., Ltd.	Taiwan	Wholesale of Foods and Groceries	300	-	(Note 6)	100.00%	1,133	100.00%	51	(Note 5)	(Note 2 and 4)
Tuomi Innovation	Mituo Pet Supplies Technology Co., Ltd.	Taiwan	Food Additives Manufacturing	2,500	-	(Note 6)	100.00%	2,921	100.00%	(552)	(Note 5)	(Note 2 and 4)
Shangyu Construction Co., Ltd.	Boromi Optronics Corp.	Taiwan	Indoor renovation/indoor decoration, and door and window installation project	211,626	211,626	29,995,601	100.00%	192,434	100.00%	(36,258)	(36,258)	(Note 2)
Shangyu Construction Co., Ltd.	Myson Century, Inc.	Taiwan	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	38,323	49,828	4,276,000	1.46%	27,599	1.91%	1,583,987	28,076	(Note 2)
Shangyu Construction Co., Ltd.	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	37,980	-	2,048,000	0.93%	20,383	0.93%	(73,673)	(171)	(Note 2)
Boromi Optronics Corp.	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	24,785	-	1,793,000	0.81%	17,940	0.81%	(73,673)	(450)	(Note 2)
Boromi Optronics Corp.	Myson Century, Inc.	Taiwan	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	-	3,637	-	- %	-	0.15%	1,583,987	1,108	(Note 2)
HSIN-LI	Feei Cherng Enterprise Co., Ltd.	Taiwan	Livestock breeding, bulk raw materials trading, and housing and building development and rental	35,047	-	3,517,000	1.59%	34,904	1.59%	(73,673)	(172)	(Note 2)

Name of investing company	Name of Investee	Location	Main business	Original investment amount		Held at year end			Highest shareholding in the interim or contribution status	Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2025.12.31)	End of the previous period (2024.12.31)	Quantity of shares (shares)	Ratio	Carrying amount				
HSIN-LI	Myson Century, Inc.	Taiwan	Food grocery retailing, construction material trading, interior decoration services, and advertising and marketing	54,252	32,481	1,550,000	0.53%	11,222	7.22%	1,583,987	54,725	(Note 2)
HSIN-LI	PRIT	Taiwan	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	558,780	558,780	27,800,000	69.67%	1,107,767	69.67%	19,293	13,678	(Note 2)
HSIN-LI	Great Computer Corporation	Taiwan	Manufacture of computerized cutting plotters and laser engraving machines	66,151	-	4,134,413	9.92%	224,499	9.92%	(13,140)	-	(Note 2)

Note 1: Translated at the foreign exchange rate, USD:NTD=1:31.43, on December 31, 2025.

Note 2: Already written off during the preparation of the consolidated financial statements.

Note 3: Profit or loss for the current period represents the profit or loss from the acquisition date to December 31, 2025 and excludes fair value adjustment amounts.

Note 4: Profit or loss for the current period represents the profit or loss from the acquisition date to the disposal date and excludes fair value adjustment amounts.

Note 5: The profit or loss of the investee company has already been included in that of its investing company and is therefore not separately presented herein to avoid confusion.

Note 6: As it is a limited company, no shares have been issued.

Note 7: The equity interests in Hua Han were sold to Tai Bao Da in December 2025. The equity interests in Century Global were fully disposed of in November 2025.

(III) Information on investment in China:

1. Information on investees in China:

Name of investee in China	Main business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amounts remitted or recovered during the current period		Accumulated investment amount remitted from Taiwan at the end of the current period	Investee income recognized in the current period	Shareholding ratio directly or indirectly held by the Company	Maximum shareholding or capital contribution during the period	Investment income recognized in the current period (Note 3 and 4)	Carrying amount of investment at the end of the period (Note 4)	Accumulated remitted investment income as of the end of the current period
					Remittance out	Recover				- %			
Dongguan Shendong Electronic Co., Ltd.	Manufacture of connection cables, semi-finished plugs, signal converters, hubs, and plastic and metal accessories items	114,743 (HKD 30,000)	(Note 1)	114,743 (HKD 30,000)	-	-	114,743 (HKD 30,000)	16,617	100.00%	100.00%	16,617	223,089	16,371
GCC (Kunshan) Co., Ltd.	GCC (Kunshan) Co., Ltd.	314,450 (USD 10,000)	(Note 1)	314,450 (USD 10,000)	-	-	314,450 (USD 10,000)	1,562	100.00%	100.00%	1,146	305,965	-

2. Investment limit in China:

Company Name	Accumulated investment amount remitted from Taiwan to China at the end of the current period	Approved investment amount by the Department of Investment Review of the MOEA	Investment limit in China prescribed by the Department of Investment Review of the MOEA
Y-S Electronic Co., Ltd.	114,473 (HKD 30,000)	114,743 (HKD 30,000)	304,436
Great Computer Corporation	314,450 (USD 10,000)	314,450 (USD 10,000)	235,369

Note 1: Investments in companies in China were made through companies established in third regions, namely Yellow Sky Holdings Limited and GCC INTERNATIONAL CO., LTD.
Note 2: Pursuant to the relevant regulations, the limit shall be 60% of the net worth of each respective company.
Note 3: Investment profit or loss recognized for the current period was based on the financial statements audited (reviewed) by the CPA of the Taiwan parent company.
Note 4: Already written off during the preparation of the consolidated financial statements.

3. Significant transactions:

For the significant direct or indirect transactions between the consolidated company and its investee companies in China during 2025, please refer to the section "Business Relationships and Significant Intercompany Transactions Between Parent and Subsidiary Companies."

XIV. Segment information

(I) The consolidated entities' management has already identified the segments to be reported based on the reporting information used by the business decision maker in making decisions. The consolidated entities' business decision maker manages the business from the point of view of a company.

The consolidated entities' business policy maker evaluates the operating department's performance based on the income before tax. The criteria exclude the effect posed by the non-recurring revenue and expenditure in the operating department. The explanation about the operating department's accounting policy is as same as the summarization of the significant accounting policy stated in Notes 4 to the consolidated financial statements.

The information about the consolidated entities' operating department is adjusted as follows:

	SUN YAD	U-BEST	Feei Cherng	HSIN-LI	Shangyu	Boromi	Myson Century, Inc.	PRIT	Others	Adjustment and cancellation	Total
2025											
Revenue:											
Revenue from external customers	$ 77,008	553,361	572	188,083	19,218	-	2,780,006	786,006	-	-	4,404,254
Inter-departmental revenue	-	89,394	-	136	306,997	-	193,541	20,228	11,951	(622,247)	-
Interest revenue	7,464	1,467	15,145	4,108	1,967	595	5,327	3,283	250	(1,646)	37,960
Total revenue	$ 84,472	644,222	15,717	192,327	328,182	595	2,978,874	809,517	12,201	(623,893)	4,442,214
Interest expenses	$ 68,817	20,421	10,221	9,029	3,193	4,098	9,597	5,766	-	(1,655)	129,487
Depreciation and amortization	$ 7,081	15,287	5,340	19,225	665	1,688	47,040	33,428	-	495	130,249
Income of department to be reported	$ (173,082)	(82,907)	(73,945)	1,305,040	(8,810)	(33,941)	2,117,702	19,004	(30,240)	(1,896,575)	1,142,246
Income of department to be reported	$ 9,309,495	3,654,679	3,603,217	3,888,024	1,003,419	545,658	5,727,638	1,088,769	53,486	(4,054,589)	24,819,796

	SUN YAD	U-BEST	Feei Cherng	HSIN-LI	Shangyu	Boromi	Myson Century, Inc.	PRIT	Others	Adjustment and cancellation	Total
2024 (adjusted)											
Revenue:											
Revenue from external customers	$ 218,755	455,047	1,714	196,730	38,697	-	408,370	171,921	-	-	1,491,234
Inter-departmental revenue	-	44,531	4,346	345	623,790	130,965	219,861	5,873	50,213	(1,079,924)	-
Interest revenue	3,288	922	9,468	1,130	1,192	1,589	1,967	1,385	348	(1,220)	20,069
Total revenue	$ 222,043	500,500	15,528	198,205	663,679	132,554	630,198	179,179	50,561	(1,081,144)	1,511,303
Interest expenses	$ 86,096	18,660	10,803	7,746	1,030	523	422	160	5,698	(6,157)	124,981
Depreciation and amortization	$ 6,770	16,466	4,614	22,033	642	1,031	15,251	-	8,528	776	76,111
Income of department to be reported	$ (203,657)	137,408	188,247	1,363,561	133,856	13,142	265,186	(9,829)	(34,213)	(1,399,365)	454,336
Income of department to be reported	$ 8,089,804	3,586,931	3,024,507	3,206,579	743,385	418,150	617,762	1,102,095	88,251	(2,844,364)	18,033,100

The inter-departmental gains to be cancelled from the income of department to be reported in 2025 and 2024 were NT$1,896,575 thousand and NT$1,399,365 thousand.

(II) Overview of the entire enterprise:

1. Information by product

Consolidated entities' revenue from external customers:

Name of product and labor service	2025	2024
Dry and wet PU synthetic leather and plastic leather	$ 512,159	246,880
PU synthetic resin	385,431	437,077
Sales of real estate	228,068	221,216
Construction and engineering revenue	36,971	41,677
Rental revenue from investment property	15,152	14,866
Revenue from selling electricity	16,276	8,026

Name of product and labor service	2025	2024
Apparel accessories	168,791	77,235
Health Food	1,536,452	283,503
Catering revenue	41,190	39,726
Split leather	424,383	98,264
Commission income	486,236	-
Connectors, finished wire products, and electronic products	177,824	-
Daily necessities	335,577	-
Others	39,744	22,764
	$ 4,404,254	**1,491,234**

2. Information by territory

The consolidated entities' information by territory is stated as follows. The revenue is classified based on the geographical location where the customer resides, while the non-current assets are classified based on the geographical location where the assets reside.

Revenue from external customers

Region	2025	2024
Taiwan	$ 3,975,110	1,413,233
Vietnam	159,146	-
Asia (excluding Taiwan)	108,995	49,225
Others	161,003	28,776
	$ 4,404,254	**1,491,234**

Non-current assets:

Region	2025.12.31	2024.12.31
Taiwan	$ 4,752,656	2,899,159
Others	289,634	-
	$ 5,042,290	**2,899,159**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets, and other non-current assets, but exclude non-current assets related to financial instruments, deferred tax assets, and goodwill.

(III) Information about main customers:

The consolidated company had no revenue from a single customer accounting for more than 10% of the operating revenue, net specified in the Consolidated Income Statement in 2025 and 2024.