# TRK CORPORATION

**PARENT COMPANY ONLY FINANCIAL**

**STATEMENTS AND INDEPENDENT AUDITORS'**

**REPORT**

**DECEMBER 31, 2025 AND 2024**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

TRK CORPORATION

DECEMBER 31, 2025 AND 2024 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000503

To the Board of Directors and Shareholders of TRK Corporation

## *Opinion*

We have audited the accompanying parent company only balance sheets of TRK Corporation (the "Company") as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors, (please refer to the *Other matter* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## *Basis for opinion*

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

**The completeness and accuracy of tenant-counter sales in department stores**

Description

Please refer to Note 4(25) for accounting policies on revenue recognition and Note 6(21) for details of operating revenue.

Tenant-counter sales arises mainly through the establishment of merchandise and supplier master file data (such as merchandise master file, counter supplier master file data establishment, rent commission rate, etc.). Merchandise items, quantities, selling prices and total sales amount (only proprietary products) from every transaction are automatically transferred from the counters' point of sale (POS) to the Enterprise Resource Planning system (ERP). The counter can only key in the amount in POS and upload the sales information to the POS back-end system after the closing at the current date, and the information would be transferred to the ERP. The entries of the tenant-counter sales are automatically generated after the responsible person checking the daily closing report and confirming them on the system; the counter's cost of goods sold is automatically transferred based on the commission rate in counter contract after the reconciliation with the counter at the end of every month. The tenant-counter sales and the counters' net cost of goods sold are listed under operating revenue at the end of every month. Every counter shall prepare daily cash reports and deposit daily cash into the bank.

Given that each transaction amount from tenant-counter sales is small but in a high volume, and the sales information is highly dependent on the transfer and calculation between systems, the above process of system summarising and the recognition of the operating revenue are important to ensure the accuracy of the tenant-counter sales. Therefore, the completeness and accuracy of tenant-counter sales stores is identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures in respect of the above included the following:

1. Sampled and examined the additions or movements in the supplier master file data to ensure that they were approved appropriately.
2. Sampled and examined the approved additions or movements on the supplier master file data to ensure they were keyed in correctly into the master file data.
3. The sales information in POS system was regularly and completely transferred to the ERP system and generated operating revenue entry.
4. Sampled and examined the daily closing reports and the relevant evidence of the counters.
5. Sampled and examined the counters' cash deposit recognized in the daily closing reports to ensure that it was in agreement with those amounts in the bank.

6. Recalculated the accuracy of the sales cost of the counter that is automatically transferred according to the commission rate in the counter contract based on the selected samples after the reconciliation with the counters at the end of each month.
7. Sampled and examined that the tenant-counter sales and the counters' cost of goods sold, net are listed under operating revenue at the end of every period.

**Non-financial assets-impairment assessment of goodwill and intangible assets with indefinite useful life**

Description

Please refer to Note 4(17) for accounting policies on goodwill and intangible assets with indefinite useful life and its impairment and Notes 5(2) and 6(11) for details of goodwill and intangible assets with indefinite useful life.

The Company estimates the recoverable amount of goodwill's and intangible assets with indefinite useful life's cash generating unit based on the appraisal report to determine whether goodwill and intangible assets with indefinite useful life are impaired. As estimates of future cash flows involve management's judgement and a high degree of uncertainty, there would be a significant effect on the estimated outcome of the valuation. Therefore, the impairment valuation of goodwill and intangible assets with indefinite useful life is identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures in respect of the above included the following:

1. Reviewed the main financial information used in estimating future cash flows and the relevant information on the financial budget which was approved by the management, including operating revenue, operating cost and operating expenses. Compared the financial budgets prepared in prior year with the actual financial performance in current year to assess the accuracy of the predictions in current year. Discussed the reasons for material differences with the management and whether they had been included in the preparation of the current financial budget.
2. The key assumptions used in estimating expected future cash flows, including the growth rate, profit rate and discount rate of operating revenue, were compared with the comparable companies in the same industry and external market data to check whether those key assumptions fall within the range adopted in the same industry.

3. Used the appraisal report prepared by management's expert as one of the audit evidences and performed the following audit procedures:
   (1) Evaluated the proficiency, competence and objectivity of the expert.
   (2) Reviewed the appraisal range and the timing of the assessment of the expert's report to check the correlation with the audits.
   (3) For the work of the management's expert, we evaluated the parameters, assumptions and methods to check the reasonableness of the valuation.

### *Other matter – Reference to the audits of other auditors*

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$288,464 thousand and NT$172,849 thousand, constituting 7.60% and 3.32% of the total assets as of December 31, 2025 and 2024, respectively, and the comprehensive income (loss) recognized from associates and joint ventures accounted for under the equity method amounted to NT$(2,282) thousand and NT$106 thousand, constituting (0.34%) and (0.20%) of the total comprehensive income (loss) for the years then ended, respectively.

### *Responsibilities of management and those charged with governance for the parent company only financial statements*

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

### *Auditors' responsibilities for the audit of the parent company only financial statements*

Our objectives are to obtain reasonable assurance about whether the parent company only 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 Standards on Auditing of the Republic of China will always detect a material misstatement 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.We remain solely responsible for our audit opinion.

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, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. 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.

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| Wang, Fang-Yu | Lin, Kuan-Hung |

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| | Assets | Notes | December 31, 2025 AMOUNT | % | December 31, 2024 AMOUNT | % |
|---|---|---|---|---|---|---|
| | **Current assets** | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 634,628 | 17 | $ 296,564 | 5 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 3,171 | - | 2,352 | - |
| 1170 | Accounts receivable, net | 6(3) | 51,596 | 1 | 44,437 | 1 |
| 1180 | Accounts receivable - related parties, net | 7 | 22 | - | 1,993 | - |
| 1200 | Other receivables | | 1,974 | - | 1,497 | - |
| 1210 | Other receivables - related parties | 7 | 43,251 | 1 | 62,273 | 1 |
| 130X | Inventories | 6(4) and 8 | 568,991 | 15 | 560,822 | 11 |
| 1410 | Prepayments | | 37,315 | 1 | 37,692 | 1 |
| 1470 | Other current assets | 6(5) and 8 | 559,695 | 15 | 52,745 | 1 |
| 11XX | **Total current assets** | | 1,900,643 | 50 | 1,060,375 | 20 |
| | **Non-current assets** | | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current | 6(2) | 33 | - | 33 | - |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(6) | 183,664 | 5 | 135,609 | 3 |
| 1550 | Investments accounted for using equity method | 6(7) and 7 | 713,161 | 19 | 731,852 | 14 |
| 1600 | Property, plant and equipment | 6(8) | 241,791 | 6 | 473,068 | 9 |
| 1755 | Right-of-use assets | 6(9) | 499,363 | 13 | 2,066,486 | 40 |
| 1760 | Investment property, net | 6(10) | 8,815 | - | 470,251 | 9 |
| 1780 | Intangible assets | 6(11) | 80,069 | 2 | 80,061 | 1 |
| 1900 | Other non-current assets | 6(12) and 8 | 169,504 | 5 | 185,907 | 4 |
| 15XX | **Total non-current assets** | | 1,896,400 | 50 | 4,143,267 | 80 |
| 1XXX | **Total assets** | | $ 3,797,043 | 100 | $ 5,203,642 | 100 |

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TRK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| | Liabilities and Equity | Notes | December 31, 2025 AMOUNT | % | December 31, 2024 AMOUNT | % |
|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | |
| 2100 | Short-term borrowings | 6(13) | $ 488,457 | 13 | $ 488,457 | 10 |
| 2130 | Current contract liabilities | 6(21) | 95,725 | 2 | 95,917 | 2 |
| 2150 | Notes payable | | 1,834 | - | 3,133 | - |
| 2170 | Accounts payable | | 226,062 | 6 | 221,707 | 4 |
| 2180 | Accounts payable - related parties | 7 | 5,392 | - | 6,144 | - |
| 2200 | Other payables | 6(14) | 200,477 | 5 | 117,572 | 2 |
| 2220 | Other payables - related parties | 7 | 212,265 | 6 | 209,798 | 4 |
| 2230 | Current income tax liabilities | | 48,170 | 1 | - | - |
| 2280 | Current lease liabilities | | 63,727 | 2 | 253,470 | 5 |
| 2320 | Long-term liabilities, current portion | 6(15) | 115,637 | 3 | 153,858 | 3 |
| 2399 | Other current liabilities, others | | 4,828 | - | 7,732 | - |
| 21XX | **Total current liabilities** | | 1,462,574 | 38 | 1,557,788 | 30 |
| | **Non-current liabilities** | | | | | |
| 2540 | Long-term borrowings | 6(15) | 119,190 | 3 | 146,240 | 3 |
| 2580 | Non-current lease liabilities | | 460,680 | 12 | 2,452,198 | 47 |
| 2645 | Guarantee deposits received | | 23,270 | 1 | 23,581 | - |
| 2670 | Other non-current liabilities, others | 6(7) | 65,650 | 2 | 28,643 | 1 |
| 25XX | **Total non-current liabilities** | | 668,790 | 18 | 2,650,662 | 51 |
| 2XXX | **Total liabilities** | | 2,131,364 | 56 | 4,208,450 | 81 |
| | **Equity** | | | | | |
| | Share capital | 6(17) | | | | |
| 3110 | Common stock | | 1,080,000 | 29 | 1,080,000 | 21 |
| | Capital surplus | 6(18) | | | | |
| 3200 | Capital surplus | | 296,196 | 7 | 289,510 | 5 |
| | Retained earnings | 6(19) | | | | |
| 3350 | Unappropriated retained earnings (accumulated deficit) | | 374,017 | 10 | ( 277,464) | ( 5) |
| | Other equity interest | 6(20) | | | | |
| 3400 | Other equity interest | | ( 84,534) | ( 2) | ( 96,854) | ( 2) |
| 3XXX | **Total equity** | | 1,665,679 | 44 | 995,192 | 19 |
| | Significant contingent liabilities and unrecognized contract commitments | 9 | | | | |
| | Significant event after the balance sheet date | 11 | | | | |
| 3X2X | **Total liabilities and equity** | | $ 3,797,043 | 100 | $ 5,203,642 | 100 |

The accompanying notes are an integral part of these parent company only financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share amounts)

| | | | Year ended December 31 | | | |
|---|---|---|---|---|---|---|
| | | | 2025 | | 2024 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(21) and 7 | $ 1,180,465 | 100 | $ 1,142,088 | 100 |
| 5000 | Operating costs | 6(4)(26) | ( 725,981) | ( 62) | ( 720,801) | ( 63) |
| 5900 | Gross profit | | 454,484 | 38 | 421,287 | 37 |
| | Operating expenses | 6(26)(27) and 7 | | | | |
| 6100 | Selling expenses | | ( 308,137) | ( 26) | ( 293,913) | ( 26) |
| 6200 | General and administrative expenses | | ( 163,302) | ( 14) | ( 130,888) | ( 11) |
| 6000 | Total operating expenses | | ( 471,439) | ( 40) | ( 424,801) | ( 37) |
| 6900 | Operating loss | | ( 16,955) | ( 2) | ( 3,514) | - |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(22) | 3,724 | - | 4,224 | 1 |
| 7010 | Other income | 6(23) and 7 | 47,817 | 4 | 49,941 | 4 |
| 7020 | Other gains and losses | 6(24) | 851,210 | 72 | 10,089 | 1 |
| 7050 | Finance costs | 6(25) | ( 64,375) | ( 5) | ( 64,502) | ( 6) |
| 7070 | Share of loss of subsidiaries, associates and joint ventures accounted for using equity method | 6(7) | ( 121,767) | ( 10) | ( 42,965) | ( 4) |
| 7000 | Total non-operating revenue and expenses | | 716,609 | 61 | ( 43,213) | ( 4) |
| 7900 | **Profit (loss) before income tax** | | 699,654 | 59 | ( 46,727) | ( 4) |
| 7950 | Income tax expense | 6(28) | ( 48,173) | ( 4) | - | - |
| 8200 | **Profit (loss) for the year** | | $ 651,481 | 55 | ($ 46,727) | ( 4) |
| | **Other comprehensive income (loss)** | | | | | |
| 8316 | Unrealised profit (loss) from investments in equity instruments measured at fair value through other comprehensive income | 6(6) | $ 48,055 | 4 | ($ 13,042) | ( 1) |
| 8330 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss | 6(7) | ( 4,431) | - | 1,720 | - |
| 8310 | Components of other comprehensive loss that will not be reclassified to profit or loss | | 43,624 | 4 | ( 11,322) | ( 1) |
| 8361 | Exchange differences on translation | 6(20) | ( 31,304) | ( 3) | 4,831 | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | ( 31,304) | ( 3) | 4,831 | - |
| 8300 | **Other comprehensive income (loss)** | | $ 12,320 | 1 | ($ 6,491) | ( 1) |
| 8500 | **Total comprehensive income (loss) for the year** | | $ 663,801 | 56 | ($ 53,218) | ( 5) |
| | Basic earnings (losses) per share | 6(29) | | | | |
| 9750 | Total basic earnings (losses) per share | | $ 6.03 | | ($ 0.47) | |
| | Diluted earnings (losses) per share | 6(29) | | | | |
| 9850 | Total diluted earnings (losses) per share | | $ 6.02 | | ($ 0.47) | |

The accompanying notes are an integral part of these parent company only financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| | Notes | Share capital - common stock | Capital surplus: Share premium | Capital surplus: Change in equity of associates and joint ventures accounted for using equity method | Capital surplus: Donated assets received | Accumulated deficit | Other equity interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| Year 2024 | | | | | | | | |
| Balance at January 1, 2024 | | $ 900,000 | $ 197,773 | $ 105 | $ 1,975 | ($ 230,676) | ($ 90,363) | $ 778,814 |
| Loss for the year | | - | - | - | - | ( 46,727) | - | ( 46,727) |
| Other comprehensive loss for the year | | - | - | - | - | - | ( 6,491) | ( 6,491) |
| Total comprehensive loss | | - | - | - | - | ( 46,727) | ( 6,491) | ( 53,218) |
| Issuance of shares | 6(17) | 180,000 | 81,000 | - | - | - | - | 261,000 |
| Difference between consideration and carrying amount of subsidiaries acquired | | - | - | ( 2) | - | ( 61) | - | ( 63) |
| Changes in ownership interests in subsidiaries | 6(7) | - | - | 8,359 | - | - | - | 8,359 |
| Attributable to owner's equity | | - | - | - | 300 | - | - | 300 |
| Balance at December 31, 2024 | | $ 1,080,000 | $ 278,773 | $ 8,462 | $ 2,275 | ($ 277,464) | ($ 96,854) | $ 995,192 |
| Year 2025 | | | | | | | | |
| Balance at January 1, 2025 | | $ 1,080,000 | $ 278,773 | $ 8,462 | $ 2,275 | ($ 277,464) | ($ 96,854) | $ 995,192 |
| Profit for the year | | - | - | - | - | 651,481 | - | 651,481 |
| Other comprehensive income for the year | | - | - | - | - | - | 12,320 | 12,320 |
| Total comprehensive income | | - | - | - | - | 651,481 | 12,320 | 663,801 |
| Changes in ownership interests in subsidiaries | 6(7) | - | - | 6,686 | - | - | - | 6,686 |
| Balance at December 31, 2025 | | $ 1,080,000 | $ 278,773 | $ 15,148 | $ 2,275 | $ 374,017 | ($ 84,534) | $ 1,665,679 |

The accompanying notes are an integral part of these parent company only financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 2025 | 2024 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit (loss) before tax | | $ 699,654 | ($ 46,727 ) |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation expense | 6(8)(9)(10)(26) | 399,605 | 390,443 |
| Amortisation | 6(26) | 654 | 2,839 |
| Net gains on financial assets at fair value through profit or loss | 6(2)(24) | ( 819 ) | ( 15,678 ) |
| Interest expense | 6(25) | 64,375 | 64,442 |
| Interest income | 6(22) | ( 3,724 ) | ( 4,224 ) |
| Dividend income | 6(23) | ( 5,804 ) | ( 2,842 ) |
| Share of loss of subsidiaries, associates and joint ventures accounted for using equity method | 6(7) | 121,767 | 42,965 |
| (Gains) losses on disposals of property, plant and equipment | 6(24) | ( 845,752 ) | 4,732 |
| Losses on disposals of investments | 6(24) | 84 | - |
| Gains arising from lease modifications | | ( 2,079 ) | ( 126 ) |
| Attributable to owners' equity | | - | 300 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Accounts receivable | | ( 7,080 ) | 7,468 |
| Accounts receivable due from related parties | 7 | 1,970 | 2,487 |
| Other receivables | | ( 477 ) | ( 482 ) |
| Other receivables due from related parties | 7 | 37,022 | ( 7,032 ) |
| Inventories | 6(4) | ( 8,169 ) | ( 287,212 ) |
| Prepayments | | 155 | 6,952 |
| Other current assets | | ( 502,476 ) | 1,312 |
| Changes in operating liabilities | | | |
| Current contract liabilities | | ( 192 ) | ( 10,552 ) |
| Notes payable | | ( 1,299 ) | 3,080 |
| Accounts payable | | 4,355 | ( 45,152 ) |
| Accounts payable - related parties | | ( 752 ) | 1,909 |
| Other payables | | 94,038 | ( 36,233 ) |
| Other payables to related parties | | ( 2,420 ) | ( 102 ) |
| Other current liabilities | | ( 2,906 ) | 4,867 |
| Cash inflow generated from operations | | 39,730 | 77,434 |
| Interest received | | 3,724 | 4,069 |
| Interest paid | | ( 60,989 ) | ( 64,442 ) |
| Income taxes paid | | ( 3 ) | - |
| Net cash flows (used in) from operating activities | | ( 17,538 ) | 17,061 |

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TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 2025 | 2024 |
|---|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from disposal of financial assets at fair value through profit or loss | | $ - | $ 113,602 |
| (Decrease) increase in other receivables due from related parties | 7 | ( 18,000 ) | 57,560 |
| Increase in guarantee deposits paid | | ( 43,043 ) | ( 37,722 ) |
| Decrease in guarantee deposits paid | | 59,634 | 8,707 |
| (Increase) decrease in other current assets | | ( 4,474 ) | 21,339 |
| Acquisition of investments accounted for using equity method | | ( 95,200 ) | ( 373,508 ) |
| Acquisition of property, plant and equipment | 6(30) | ( 167,876 ) | ( 119,384 ) |
| Acquisition of intangible assets | 6(11) | ( 440 ) | ( 1,100 ) |
| Proceeds from disposal of property, plant and equipment | | 933,861 | 2,814 |
| Other non-current assets | | 1,768 | 120 |
| Dividends received | 6(23) | 5,804 | 2,842 |
| Net cash flows from (used in) investing activities | | 672,034 | ( 324,730 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from short-term debt | 6(31) | - | 130,000 |
| Repayments of short-term debt | 6(31) | - | ( 122,500 ) |
| Proceeds from long-term debt | 6(31) | 93,000 | 173,723 |
| Repayments of long-term debt | 6(31) | ( 158,270 ) | ( 144,198 ) |
| Rental payments on lease liability | 6(31) | ( 252,351 ) | ( 253,150 ) |
| (Decrease) increase in guarantee deposits received | 6(31) | ( 311 ) | 1,660 |
| Proceeds from issuing shares | 6(17) | - | 261,000 |
| Increase in other payables to related parties | 6(31) | 1,500 | 208,410 |
| Net cash flows (used in) from financing activities | | ( 316,432 ) | 254,945 |
| Net increase (decrease) in cash and cash equivalents | | 338,064 | ( 52,724 ) |
| Cash and cash equivalents at beginning of year | | 296,564 | 349,288 |
| Cash and cash equivalents at end of year | | $ 634,628 | $ 296,564 |

The accompanying notes are an integral part of these parent company only financial statements.

TRK CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

TRK Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on July 18, 1973. The Company is primarily engaged in development business of department stores and shopping centres, recreational activities venue business, other leisure services, retail services of educational and entertainment materials and international trading business. The Company's shares were officially listed on the Taiwan Stock Exchange starting from July 26, 1982.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IAS 21, 'Lack of exchangeability' | January 1, 2025 |

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2026 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments' | January 1, 2026 |

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity' | January 1, 2026 |
| IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendments to IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information' | January 1, 2023 |
| Annual Improvements to IFRS Accounting Standards—Volume 11 | January 1, 2026 |

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| IFRS 18, 'Presentation and disclosure in financial statements' | January 1, 2027 (Note) |
| IFRS 19, 'Subsidiaries without public accountability: disclosures' | January 1, 2027 |
| Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency' | January 1, 2027 |

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are translated at closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) － operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

A. Including land held for construction, construction in progress and buildings and land held for sale are recorded at acquisition costs. The construction income or loss are recognized based on the completed-contract method. Land held for construction is transferred as construction in progress when they are actively developed. During the period from the beginning of active development or construction to its completion, the interests are capitalised.

B. Inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(13) Investments accounted for using equity method-subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owner. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

L. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(14) <u>Property, plant and equipment</u>

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

| | |
|---|---|
| Buildings and structures | 10 years |
| Machinery and equipment | 3 years |
| Transportation equipment | 1 ~ 5 years |
| Office equipment | 1 ~ 8 years |
| Other equipment | 1 ~ 6 years |
| Leasehold improvements | 1 ~ 14 years |

(15) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate;

(c) Amounts expected to be payable by the lessee under residual value guarantees.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Investment property

The investment properties are held by the Company with an intention to obtain long-term rental profit. An investment property is stated initially at its cost and measured subsequently using the cost model.

(17) Intangible assets

A. Trademark right (indefinite useful life)

Trademark right with indefinite useful life is recognized at fair value at the acquisition date and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right with indefinite useful life is not amortised, but is tested annually for impairment.

B. Separately acquired computer software is stated at historical cost. Computer software acquired in a business combination is recognized at fair value at the acquisition date and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

C. Membership list acquired in a business combination is recognized at fair value at the acquisition date. Membership list is amortised on a straight-line basis over its estimated useful life of 3.5 years.

D. Goodwill arises in a business combination accounted for by applying the acquisition method.

E. Other intangible assets are mainly intellectual property rights and franchise fees and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(18) Impairment of non-financial assets

A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials and goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts resolved by the shareholders is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions. Compensation cost is recognised based on the number of equity instruments that eventually vest.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Revenue recognition

A. Operating revenue from tenant-counter

Revenue is confirmed when the goods of the counters are sold. In accordance with IFRS 15 'Revenue from contracts with customers', the Company is not primarily responsible for the provision of goods or services and does not assume the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer and therefore its role meets the definition of an agent. As a result, the net amount of sales revenue is recognized for goods sold through the counters.

B. Sales of goods

(a) The Company primarily operates shopping malls and leisure and recreation business. Revenue from the sale of goods is recognized when the Company sells a product to the customer.

(b) The Company operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation.

The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

B. Revenue from licensing intellectual property

The Company entered into a contract of licensing intellectual property with a customer. The contract requires a usage-based/sales-based royalty in exchange for a licence of intellectual property. The Company recognises revenue when the performance obligation has been satisfied and the subsequent usage occurs.

C. Service revenue

Revenue from providing services related to the building plan for opening venue and the operation of shopping mall is recognised in the accounting period in which the services are rendered.

D. A financing component

The Company entered into a contract with a customer. Except for land development and resale, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

(26) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill and intangible assets with an indefinite useful life

The impairment assessment of goodwill and intangible assets with an indefinite useful life relies on the Company's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash on hand and revolving funds | $ 17,532 | $ 15,479 |
| Checking accounts and demand deposits | 617,096 | 281,085 |
| | $ 634,628 | $ 296,564 |

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's cash and cash equivalents pledged to others as collateral for long-term and short-term borrowings, trust accounts, leases of buildings and performance guarantee had been transferred to other current assets and other non-current assets. Refer to Notes 6(5)(12) and 8 for details.

### (2) Financial assets at fair value through profit or loss

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Current items | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Listed stocks | $ 2,414 | $ 2,414 |
| Valuation adjustment | 757 | ( 62) |
| | $ 3,171 | $ 2,352 |
| Non-current items | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Agreement on movie investment | $ 2,583 | $ 2,583 |
| Valuation adjustment | ( 2,550) | ( 2,550) |
| | $ 33 | $ 33 |

A. The Company recognized net income amounted to $819 and $15,678, respectively, on financial assets and liabilities mandatorily measured at fair value through profit or loss for the years ended December 31, 2025 and 2024.

B. In April 2018, the Company entered into an agreement on movie investment with Hualien International Co., Ltd. on the distribution right of 26 Taiwan movies amounting to $12,450 with the investment period of 7 years. The proceeds from copyrights of the investment targets issued during the investment period could be first used to recover initial investment amount with the profit from the proportion specified in the initial investment, if any, the profit was classified to profit or loss.

C. The Company will provide financial assets measured at fair value through other comprehensive income as collateral. Please refer to Note 8 for details.

(3) Notes and accounts receivable – non related parties

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Accounts receivable | $ 52,848 | $ 45,689 |
| Less: Allowance for uncollectible accounts | ( 1,252) | ( 1,252) |
| | $ 51,596 | $ 44,437 |

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| | Accounts receivable | Accounts receivable |
| Up to 30 days | $ 35,615 | $ 34,840 |
| 31 to 90 days | 15,195 | 8,973 |
| 91 to 180 days | 39 | 100 |
| Over 180 days | 1,999 | 1,776 |
| | $ 52,848 | $ 45,689 |

The above ageing analysis was based on invoice date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of accounts receivable from contracts with customers amounted to $53,157, respectively.

C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company’s notes and accounts receivable was $51,596 and $44,437, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

| | December 31, 2025 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Shopping centres development segment | | | |
| Merchandise | $ 43,673 | ($ 1,582) | $ 42,091 |
| Food and Beverage Supplies | 385 | - | 385 |
| Construction Segment | | | |
| Land held for construction site | | | |
| -Xinzhoumei Section No. 89 | 240,281 | - | 240,281 |
| -Zhongshan Section 1 No. 540, 541 | 233,889 | - | 233,889 |
| Prepayment for land purchase | | | |
| -Zhongshan Section 1 No. 540, 541 | 52,345 | - | 52,345 |
| | $ 570,573 | ($ 1,582) | $ 568,991 |

| | December 31, 2024 | | |
|---|---|---|---|
| | Cost | Allowance for valuation loss | Book value |
| Shopping centres development segment | | | |
| Merchandise | $ 43,016 | ($ 168) | $ 42,848 |
| Food and Beverage Supplies | 59 | - | 59 |
| Construction Segment | | | |
| Land held for construction site | | | |
| -Xinzhoumei Section No. 89 | 240,281 | - | 240,281 |
| -Zhongshan Section 1 No. 540, 541 | 233,889 | - | 233,889 |
| Prepayment for land purchase | | | |
| -Zhongshan Section 1 No. 540, 541 | 43,745 | - | 43,745 |
| | $ 560,990 | ($ 168) | $ 560,822 |

A. The cost of inventories recognized as expense for the year:

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Cost of goods sold | $ 78,772 | $ 71,833 |
| Loss on market value decline of inventories | 1,414 | - |
| | $ 80,186 | $ 71,833 |

B. On April 15, 2024, the Company entered into a joint investment and construction agreement for the urban renewal of the Zhongshan Section with San Kong Rental & Service Co., Ltd., Li, Chi-Lin and Hsun Ying Investment, Ltd. The agreement serves as the basis for the allocation of costs, expenses, and rights.

In addition, a supplementary agreement was signed in November, 2024, under which Li, Chi-Lin transferred part of his original rights and obligations to Wang Min-Wei.

C. For the years ended December 31, 2025 and 2024, the amounts of inventory interest capitalized were $6,485 and $2,920, respectively. The applicable capitalization interest rates were 2.8%~3% and 2.8%, respectively.

D. Information about the Company's inventories pledged to others as collateral are provided in Note 8.

(5) Other current assets

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Restricted cash in banks | $ 552,048 | $ 47,574 |
| Others | 7,647 | 5,171 |
| | $ 559,695 | $ 52,745 |

Restricted cash in banks pledged to others is provided in Note 8.

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

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Non-current items | | |
| Listed stocks | $ 166,335 | $ 166,335 |
| Unlisted stocks | 18,222 | 18,222 |
| | 184,557 | 184,557 |
| Valuation adjustment | ( 893) | ( 48,948) |
| | $ 183,664 | $ 135,609 |

A. The Company has elected to classify investments on unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $183,664 and $135,609 as of December 31, 2025 and 2024, respectively.

B. Amounts recognized in profit or loss and other comprehensive income (loss) in relation to the financial assets at fair value through other comprehensive income are listed below:

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Equity instruments at fair value through other comprehensive income | | |
| Fair value change recognized in other comprehensive income | $ 48,055 | ($ 13,042) |

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was $183,664 and $135,609, respectively.

D. Details of the Group’s financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(7) Investments accounted for using equity method

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | % | Amount | % | Amount |
| Taroko US Corporation | 75.14% | $ 370,956 | 81.37% | $ 389,787 |
| Xingchen Development Co., Ltd. | 54.29% | 140,043 | 0.00% | - |
| Taroko Architecture Co., Ltd. | 100.00% | 106,964 | 100.00% | 107,136 |
| Taroko Entertainment Co., Ltd. | 100.00% | 32,636 | 100.00% | 42,927 |
| Boruem Real Estate Development Co., Ltd. | 25.00% | 20,402 | 25.00% | 22,944 |
| Taroko Japan Co., Ltd. | 100.00% | 14,392 | 0.00% | - |
| Ya Chen Development Co., Ltd. | 19.00% | 9,692 | 19.00% | 9,886 |
| Taroko Recreation Management Co., | 100.00% | 5,268 | 100.00% | 5,373 |
| Gowin Development Ltd. | 100.00% | 4,967 | 100.00% | 5,254 |
| Shih Niang Co., Ltd. | 49.00% | 4,796 | 49.00% | 5,470 |
| Gji Ron Company Limited | 32.55% | 3,045 | 32.55% | 3,056 |
| He Chen Development Co., Ltd. | 0.00% | - | 18.75% | 140,019 |
| Lu Hsin Co., Ltd. | 70.04% | ( 65,650) | 70.04% | ( 28,641) |
| | | 647,511 | | 703,211 |
| Add: Reclassified to other non-current liabilities | | 65,650 | | 28,641 |
| | | $ 713,161 | | $ 731,852 |

A. The Company has no individually material associates. For the information of the Company's subsidiaries, please refer to Note 4(3) in the Company's consolidated financial statements as of and for the year ended December 31, 2025.

B. The abovementioned investments of the Company had no quoted market prices. For the years ended December 31, 2025 and 2024, share of profit or loss of associates and joint ventures accounted for using the equity method amounting to ($121,767) and ($42,965), respectively, and share of other comprehensive income amounting to ($4,431) and $1,720, respectively, were all valued according to each investee's financial statements that were audited by other auditors.

C. The subsidiary, Taroko US Corporation (Taroko US), resolved to conduct a cash capital increase of $428,470 on July 15, 2024, with the subscription base date set on July 26, 2024. The Company subscribed for 90,918 shares with a cash investment of $328,462, resulting in a decrease in its ownership interest from 100% to 81.37%.

   Subsequently, Taroko US resolved to conduct another cash capital increase of $130,281 on March 11, 2025, with the subscription base date set on March 20, 2025. The Company did not participate in this capital increase, resulting in a further decrease in its ownership interest to 75.14%. The change in equity of $4,167 was recognized as a change in capital surplus.

D. On April 3, 2024, the Company increased its investment in subsidiary Taroko Architecture Co., Ltd. by converting its receivable of $20,000 into equity. Subsequently, on August 26, 2024 and May 16, 2025, the Company participated in the subsidiary's cash capital increases in the amounts of $25,000 and $9,000, respectively. After the above transactions, the Company maintained a 100% ownership interest in the subsidiary.

E. On June 19, 2024, the Company repurchased 0.1% equity stake in subsidiary Lu Hsin Co., Ltd. from Tong-Qing-Xin Creative Co., Ltd. for $45, resulting in a change in ownership interest to 70.04%.

F. In January 2025, the Company established a subsidiary in Japan, Taroko JP Corporation, and held a 100% ownership interest.

G. On November 17, 2025, the subsidiary Taroko Artificial Intelligence Co., Ltd. (formerly known as Zhimu Life Technology Co., Ltd.) resolved by its Board of Directors to conduct a cash capital increase of $3,000, with the subscription base date set on November 28, 2025. The Company did not participate in the capital increase, resulting in a decrease in its ownership interest to 30%. The difference arising from the change in ownership interest amounted to $2,519 and was recognized in equity.

H. On November 8, 2024, the Board of Directors approved a resolution to jointly establish Xingchen Development Co., Ltd. with San Sheng Corporation, Hualien International Multimedia Co., Ltd., and Sangong Leasing Co., Ltd. The establishment was effected through a share-for-share exchange involving the shares of Hechen International Development Co., Ltd.On January 15, 2025, the Company completed the exchange of 14,250,000 shares of Hechen International Development Co., Ltd. at an exchange price of NT$9.82 per share, and received 13,993,550 shares of Xingchen Development Co., Ltd. Consequently, the Company's ownership interest in Xingchen Development Co., Ltd. was 54.29%, thereby making it a subsidiary of the Company.Upon completion of this transaction, Xingchen Development Co., Ltd. held an aggregate ownership interest of 34.54% in Hechen International Development Co., Ltd.

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(8) Property, plant and equipment

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings and structures | Machinery and equipment | Transportation equipment | Office equipment | Other equipment | Leasehold improvements | Construction in progress and equipment under acceptance | Total |
| At January 1 | | | | | | | | |
| Cost | $ 5,196 | $ 15,717 | $ 3,662 | $ 182,942 | $ 8,836 | $ 821,590 | $ 18,413 | $ 1,056,356 |
| Accumulated depreciation | ( 3,017) | ( 12,661) | ( 2,132) | ( 116,001) | ( 8,416) | ( 441,061) | - | ( 583,288) |
| | $ 2,179 | $ 3,056 | $ 1,530 | $ 66,941 | $ 420 | $ 380,529 | $ 18,413 | $ 473,068 |
| Opening net book amount as of January 1 | $ 2,179 | $ 3,056 | $ 1,530 | $ 66,941 | $ 420 | $ 380,529 | $ 18,413 | $ 473,068 |
| Additions | - | 171 | 993 | 35,797 | - | 108,861 | 10,562 | 156,384 |
| Disposals (Note 2) | - | ( 191) | - | ( 16,873) | ( 282) | ( 231,604) | ( 4,446) | ( 253,396) |
| Transfer | - | ( 2,883) | - | 2,883 | - | 15,965 | ( 17,562) | ( 1,597) |
| Depreciation charge | ( 493) | ( 80) | ( 816) | ( 32,901) | ( 138) | ( 98,240) | - | ( 132,668) |
| Closing net book amount as of December 31 | $ 1,686 | $ 73 | $ 1,707 | $ 55,847 | $ - | $ 175,511 | $ 6,967 | $ 241,791 |
| At December 31 | | | | | | | | |
| Cost | $ 5,196 | $ 90 | $ 4,415 | $ 146,161 | $ 8 | $ 355,335 | $ 6,967 | $ 518,172 |
| Accumulated depreciation | ( 3,510) | ( 17) | ( 2,708) | ( 90,314) | ( 8) | ( 179,824) | - | ( 276,381) |
| | $ 1,686 | $ 73 | $ 1,707 | $ 55,847 | $ - | $ 175,511 | $ 6,967 | $ 241,791 |

Note 1: The Company had no borrowing costs capitalised as property, plant and equipment.

Note 2: On November 20, 2025, the Board of Directors resolved to dispose of the operating assets of Taroko Mall (Taichung) and Taroko Square (Hsinchu). The disposal consideration amounted to NTD 1 billion, with an estimated gain on disposal of NT$852,558.The transfer base date is December 31, 2025.

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings and structures | Machinery and equipment | Transportation equipment | Office equipment | Other equipment | Leasehold improvements | Construction in progress and equipment under acceptance | Total |
| At January 1 | | | | | | | | |
| Cost | $ 5,196 | $ 15,621 | $ 3,662 | $ 149,775 | $ 10,275 | $ 787,766 | $ 2,454 | $ 974,749 |
| Accumulated depreciation | ( 2,524) | ( 11,857) | ( 1,482) | ( 90,737) | ( 9,251) | ( 365,731) | - | ( 481,582) |
| | $ 2,672 | $ 3,764 | $ 2,180 | $ 59,038 | $ 1,024 | $ 422,035 | $ 2,454 | $ 493,167 |
| Opening net book amount as of January 1 | $ 2,672 | $ 3,764 | $ 2,180 | $ 59,038 | $ 1,024 | $ 422,035 | $ 2,454 | $ 493,167 |
| Additions | - | 96 | - | 34,862 | 15 | 55,414 | 16,938 | 107,325 |
| Disposals | - | - | - | 38 | - | ( 7,584) | - | ( 7,546) |
| Transfer | - | - | - | 332 | ( 287) | 908 | ( 979) | ( 26) |
| Depreciation charge | ( 493) | ( 804) | ( 650) | ( 27,329) | ( 332) | ( 90,244) | - | ( 119,852) |
| Closing net book amount as of December 31 | $ 2,179 | $ 3,056 | $ 1,530 | $ 66,941 | $ 420 | $ 380,529 | $ 18,413 | $ 473,068 |
| At December 31 | | | | | | | | |
| Cost | $ 5,196 | $ 15,717 | $ 3,662 | $ 182,942 | $ 8,836 | $ 821,590 | $ 18,413 | $ 1,056,356 |
| Accumulated depreciation | ( 3,017) | ( 12,661) | ( 2,132) | ( 116,001) | ( 8,416) | ( 441,061) | - | ( 583,288) |
| | $ 2,179 | $ 3,056 | $ 1,530 | $ 66,941 | $ 420 | $ 380,529 | $ 18,413 | $ 473,068 |

Note: The Company had no borrowing costs capitalised as property, plant and equipment.

(9) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings, machinery and equipment and transportation equipment. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| | Carrying amount | Carrying amount |
| Buildings | $ 487,465 | $ 2,056,168 |
| Machinery and equipment | 441 | 3,088 |
| Transportation equipment (Business vehicles) | 11,457 | 7,230 |
| | $ 499,363 | $ 2,066,486 |

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| | Depreciation charge | Depreciation charge |
| Land | $ - | $ 276 |
| Buildings | 218,547 | 220,034 |
| Machinery and equipment | 1,816 | 1,872 |
| Transportation equipment (Business vehicles) | 5,021 | 5,100 |
| | $ 225,384 | $ 227,282 |

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were $23,744 and $380,825, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | ($ 41,338) | ($ 42,076) |
| Expense on short-term lease contracts | ( 3,126) | ( 2,909) |
| Expense on leases of low-value assets | ( 4,778) | ( 3,994) |
| Expense on variable lease payments | ( 38,854) | ( 37,111) |
| Gain on sublease of right-of-use assets | 14,844 | 12,293 |
| Gains arising from lease modifications (Note) | 2,079 | 126 |

Note: On November 20, 2025, the Company's Board of Directors resolved to dispose of the operating assets of the Taroko Mall (Taichung) and the Taroko Square (Hsinchu), and to transfer the related lease contracts for both locations. The transfer base date is December 31, 2025. Please refer to Note 6(8) for further details.

E. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were $340,447 and $339,240, respectively.

F. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to operating revenue from leisure and entertainment segment. For such lease items, up to 13% of lease payments are on the basis of variable payment terms and are accrued based on the operating revenue. Variable payment terms are used for a variety of reasons, including business practices. Various lease payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in operating revenue from leisure and entertainment segment with such variable lease contracts would increase total lease payments by approximately $389.

(10) Investment property

| | 2025 | | |
|---|---|---|---|
| | Land | Right-of-use assets | Total |
| At January 1 | $ 8,815 | $ 461,436 | $ 470,251 |
| Disposals | - | ($ 386,933) | ($ 386,933) |
| Reclassifications | - | ( 32,950) | ( 32,950) |
| Depreciation charge | - | ( 41,553) | ( 41,553) |
| At December 31 | $ 8,815 | $ - | $ 8,815 |

| | 2024 | | |
|---|---|---|---|
| | Land | Right-of-use assets | Total |
| At January 1 | $ 8,815 | $ 471,861 | $ 480,676 |
| Reclassifications | - | 32,884 | 32,884 |
| Depreciation charge | - | ( 43,309) | ( 43,309) |
| At December 31 | $ 8,815 | $ 461,436 | $ 470,251 |

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

| | Year ended December 31, 2025 | Year ended December 31, 2024 |
|---|---|---|
| Rental income from investment property | $ 94,877 | $ 90,036 |
| Direct operating expenses arising from the investment property that generated rental income during the year | ($ 41,553) | ($ 43,309) |

The fair values of the investment property held by the Company as of December 31, 2025 and 2024 were $28,875 and $764,923, respectively, which was assessed based on recent settlement prices of similar and comparable properties. Valuations were made by considering factors such as location, scale and purpose of use, etc., and using the comparative method, which were categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Trademarks | Computer software | Goodwill | Membership list | Others | Total |
| At January 1 | | | | | | |
| Cost | $ 62,099 | $ 5,546 | $ 50,165 | $ 10,120 | $ 4,190 | $ 132,120 |
| Accumulated depreciation and impairment | ( 2,790) | ( 4,182) | ( 30,777) | ( 10,120) | ( 4,190) | ( 52,059) |
| | $ 59,309 | $ 1,364 | $ 19,388 | $ - | $ - | $ 80,061 |
| Opening net book amount as of January 1 | $ 59,309 | $ 1,364 | $ 19,388 | $ - | $ - | $ 80,061 |
| Acquisitions | - | 440 | - | - | - | 440 |
| Amortization charge | - | ( 432) | - | - | - | ( 432) |
| Closing net book amount as of December 31 | $ 59,309 | $ 1,372 | $ 19,388 | $ - | $ - | $ 80,069 |
| At December 31 | | | | | | |
| Cost | $ 62,099 | $ 5,986 | $ 50,165 | $ - | $ 714 | $ 118,964 |
| Accumulated amortization and impairment | ( 2,790) | ( 4,614) | ( 30,777) | - | ( 714) | ( 38,895) |
| | $ 59,309 | $ 1,372 | $ 19,388 | $ - | $ - | $ 80,069 |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Trademarks | Computer software | Goodwill | Membership list | Others | Total |
| At January 1 | | | | | | |
| Cost | $ 62,099 | $ 4,446 | $ 50,165 | $ 10,120 | $ 4,190 | $ 131,020 |
| Accumulated depreciation and impairment | ( 2,790) | ( 3,915) | ( 30,777) | ( 10,120) | ( 1,785) | ( 49,387) |
| | $ 59,309 | $ 531 | $ 19,388 | $ - | $ 2,405 | $ 81,633 |
| Opening net book amount as of January 1 | $ 59,309 | $ 531 | $ 19,388 | $ - | $ 2,405 | $ 81,633 |
| Acquisitions | - | 1,100 | - | - | - | 1,100 |
| Amortization charge | - | ( 267) | - | - | ( 2,405) | ( 2,672) |
| Closing net book amount as of December 31 | $ 59,309 | $ 1,364 | $ 19,388 | $ - | $ - | $ 80,061 |
| At December 31 | | | | | | |
| Cost | $ 62,099 | $ 5,546 | $ 50,165 | $ 10,120 | $ 4,190 | $ 132,120 |
| Accumulated amortization and impairment | ( 2,790) | ( 4,182) | ( 30,777) | ( 10,120) | ( 4,190) | ( 52,059) |
| | $ 59,309 | $ 1,364 | $ 19,388 | $ - | $ - | $ 80,061 |

Goodwill of the Group is tested annually for impairment. The recoverable amount was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets of the leisure and entertainment segment approved by the management covering a five-year period. The key assumptions of the recoverable amount that the Company calculated according to the value in use for the years ended December 31, 2025 and 2024 are as follows: gross margin of 1.33% and 1.57%, growth rate of 1.00% and 2.00%, and discount rate of 12.31% and 16.16%, respectively.

(12) Other non-current assets

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Guarantee deposits paid | $ 128,201 | $ 144,792 |
| Restricted cash in banks | 40,719 | 40,719 |
| Other assets | 584 | 396 |
| | $ 169,504 | $ 185,907 |

Guarantee deposits paid and Restricted cash in banks were pledged to others are provided in Note 8.

(13) Short-term borrowings

| Type of borrowings | December 31, 2025 | Interest rate range | Collateral |
|---|---|---|---|
| Bank borrowings | | | |
| Secured borrowings | $ 438,457 | 1.08%~3.24% | Please refer to Note 8 |
| Unsecured borrowings | 50,000 | 2.12%~2.58% | Credit guarantee fund |
| | $ 488,457 | | |

| Type of borrowings | December 31, 2024 | Interest rate range | Collateral |
|---|---|---|---|
| Bank borrowings | | | |
| Secured borrowings | $ 438,457 | 1.80%~3.24% | Please refer to Note 8 |
| Unsecured borrowings | 50,000 | 2.12%~2.58% | Credit guarantee fund |
| | $ 488,457 | | |

Interest expense recognized in profit or loss due to short-term borrowings amounted to $12,835 and $13,586 for the years ended December 31, 2025 and 2024, respectively.

(14) Other payables

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| Wages, salaries and bonuses payable | $ | 53,040 | $ | 35,032 |
| Payable on construction equipment | | 10,584 | | 21,717 |
| Repairs and maintenance payable | | 9,005 | | 7,684 |
| Utilities payable | | 11,527 | | 10,671 |
| Payables for labor and health insurance | | 6,246 | | 6,242 |
| Advertisement payable | | 3,650 | | 2,956 |
| Pension payable | | 3,708 | | 3,807 |
| Business tax payable | | 51,417 | | 3,049 |
| Others | | 51,300 | | 26,414 |
| | $ | 200,477 | $ | 117,572 |

(15) Long-term borrowings

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Collateral | December 31, 2025 | |
|---|---|---|---|---|---|
| Secured borrowings | Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2022 | 2%~2.94% | Credit guarantee fund and the description in Note 8 | $ | 3,345 |
| Secured borrowings | Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021 | 2.25%~5.19% | Please refer to Note 8 | | 33,908 |
| Secured borrowings | Borrowing period is from 2025.04 to 2032.04 and installments are repayable from July 2025 | 3.44% | Please refer to Note 8 | | 30,192 |
| Secured borrowings | Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022 | 2.25%~2.88% | Please refer to Note 8 | | 8,924 |
| Secured borrowings | Borrowing period is from 2023.02 to 2026.02 and installments are repayable from March 2023 | 2.75% | Please refer to Note 8 | | 2,310 |
| Secured borrowings | Borrowing period is from 2023.03 to 2026.03 and installments are repayable from April 2023 | 2.74% | Please refer to Note 8 | | 4,147 |
| Secured borrowings | Borrowing period is from 2023.08 to 2026.08 and installments are repayable from September 2023 | 3.07%~3.19% | Please refer to Note 8 | | 4,610 |
| Secured borrowings | Borrowing period is from 2024.04 to 2027.04 and installments are repayable from May 2024 | 2.96% | Please refer to Note 8 | | 25,768 |
| Secured borrowings | Borrowing period is from 2024.06 to 2027.06 and installments are repayable from July 2024 | 2.79% | Please refer to Note 8 | | 27,816 |

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Collateral | December 31, 2025 |
|---|---|---|---|---|
| Secured borrowings | Borrowing period is from 2025.11 to 2028.11 and installments are repayable from December 2025 | 2.86% | Please refer to Note 8 | 58,143 |
| Secured borrowings | Borrowing period is from 2024.12 to 2027.12 and installments are repayable from January 2025 | 2.79% | Please refer to Note 8 | 35,664 |
| | | | | 234,827 |
| Less: Current portion | | | | ( 115,637) |
| | | | | $ 119,190 |

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Collateral | December 31, 2024 |
|---|---|---|---|---|
| Secured borrowings | Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2022 | 2%~2.94% | Credit guarantee fund and the description in Note 8 | $ 21,340 |
| Secured borrowings | Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021 | 2.25%~5.19% | Please refer to Note 8 | 45,355 |
| Secured borrowings | Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022 | 2.25%~2.88% | Please refer to Note 8 | 15,007 |
| Secured borrowings | Borrowing period is from 2022.10 to 2025.10 and installments are repayable from November 2022 | 1.60%~1.74% | Please refer to Note 8 | 7,943 |
| Secured borrowings | Borrowing period is from 2022.12 to 2025.12 and installments are repayable from January 2023 | 2.92%~3.06% | Please refer to Note 8 | 12,137 |
| Secured borrowings | Borrowing period is from 2023.02 to 2026.02 and installments are repayable from March 2023 | 2.75% | Please refer to Note 8 | 15,948 |
| Secured borrowings | Borrowing period is from 2023.03 to 2026.03 and installments are repayable from April 2023 | 2.74% | Please refer to Note 8 | 20,642 |
| Secured borrowings | Borrowing period is from 2023.08 to 2026.08 and installments are repayable from September 2023 | 3.07%~3.19% | Please refer to Note 8 | 11,343 |
| Secured borrowings | Borrowing period is from 2024.04 to 2027.04 and installments are repayable from May 2024 | 2.96% | Please refer to Note 8 | 44,438 |
| Secured borrowings | Borrowing period is from 2024.06 to 2027.06 and installments are repayable from July 2024 | 2.79% | Please refer to Note 8 | 48,802 |
| Secured borrowings | Borrowing period is from 2024.12 to 2027.12 and installments are repayable from January 2025 | 2.79% | Please refer to Note 8 | 57,143 |
| | | | | 300,098 |
| Less: Current portion | | | | ( 153,858) |
| | | | | $ 146,240 |

(16) Pensions

Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were $14,235 and $14,815, respectively.

(17) Share capital

A. As of December 31, 2025, the Company's authorised capital was $3,000,000, and the paid-in capital was $1,080,000 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

| | 2025 | 2024 |
|---|---|---|
| At January 1 | $ 108,000 | $ 90,000 |
| Cash capital increase-private placement | - | 18,000 |
| At December 31 | $ 108,000 | $ 108,000 |

B. The Company conducted a private cash capital increase by issuing shares not exceeding 20,000 thousand shares to meet the needs of the long-term development and operational growth in the future, based on a resolution approved during shareholders' meeting held on May 31, 2024. On June 13, 2024, the Board of Directors resolved to set June 28, 2024, as the record date for the private placement capital increase. The subscription price per share is expected to be $14.5(in dollars). This capital increase raised 18 million shares, amounting to $261,000. According to the provided information, the rights and obligations of the common shares in this private placement are the same as those of other issued ordinary shares. However, as stipulated by securities trading regulations, these shares are subject to restrictions on circulation and transfer. Specifically, these shares can only be applied for listing and trading three years after the delivery date and after completing the supplementary public issuance procedures. The application for the registration of changes for the 18 million privately placed shares has been completed. This means that the necessary procedural changes have been made for these shares in accordance with relevant regulatory requirements.

The Company's Board of Directors resolved on July 15, 2024, to change the use of funds from the aforementioned private placement of common shares. The funds will now be used to reinvest in subsidiaries to meet the long-term development needs of the Company and its subsidiaries.

The Company's Board of Directors resolved on March 11, 2025, not to proceed with the remaining 2 million shares of the aforementioned private placement.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings (accumulated deficits to be covered)

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses. Then, 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with operations or related laws.

B. The Company's dividend distribution is subject to the current year's earnings and adopts a stable dividend strategy. The Company takes future capital budget into consideration to measure future capital needs. After financing the capital needs with retained earnings, the remainder, if any, shall be appropriated as cash dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The Company had accumulated deficits in the years 2024 and 2023 as resolved by the Company's shareholders on May 26, 2025 and May 31, 2024, respectively, and thus had no earnings for distribution.

F. The Company's Board of Directors resolved on March 11, 2026 to distribute earnings for the year 2025, including cash dividends of NT$2 per share and stock dividends amounting to NT$216,000.

(20) Other equity items

| | 2025 | | |
|---|---|---|---|
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | ($ 79,770) | ($ 17,084) | ($ 96,854) |
| Valuation adjustment | 43,624 | - | 43,624 |
| Currency translation differences | - | ( 31,304) | ( 31,304) |
| At December 31 | ($ 36,146) | ($ 48,388) | ($ 84,534) |

| | 2024 | | |
|---|---|---|---|
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | ($ 68,448) | ($ 21,915) | ($ 90,363) |
| Valuation adjustment | ( 11,322) | - | ( 11,322) |
| Currency translation differences | - | 4,831 | 4,831 |
| At December 31 | ($ 79,770) | ($ 17,084) | ($ 96,854) |

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines:

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Entertainment revenue | $ 503,450 | $ 467,117 |
| Tenant-counter rental revenue | 357,654 | 345,205 |
| Sales revenue | 140,638 | 149,196 |
| Management service revenue | 29,161 | 29,446 |
| Other operating revenue | 149,562 | 151,124 |
| | $ 1,180,465 | $ 1,142,088 |

B. Contract liabilities

(a) The Company has recognized the following revenue-related contract liabilities:

| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
|---|---|---|---|
| Membership cards and bills | $ 91,772 | $ 91,353 | $ 101,305 |
| Customer loyalty programmes | 3,665 | 3,921 | 4,082 |
| Advertising contracts | 156 | 226 | 514 |
| Service revenue | 132 | 417 | 568 |
| | $ 95,725 | $ 95,917 | $ 106,469 |

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Membership cards and bills | $ 20,541 | $ 36,191 |
| Customer loyalty programmes | 3,707 | 3,747 |
| Advertising contracts | 226 | 514 |
| Service revenue | 417 | 568 |
| | $ 24,891 | $ 41,020 |

(22) Interest income

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Interest income from bank deposits | $ 1,956 | $ 1,834 |
| Other interest income | 1,768 | 2,390 |
| | $ 3,724 | $ 4,224 |

(23) Other income

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Revenue from management service fees | $ 22,595 | $ 32,984 |
| Rent income | 14,844 | 12,293 |
| Dividend income | 5,804 | 2,842 |
| Government grants income | - | 290 |
| Others | 4,574 | 1,532 |
| | $ 47,817 | $ 49,941 |

(24) Other gains and losses

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Gains on financial assets at fair value through profit or loss | $ 819 | $ 15,678 |
| Gains (losses) on disposals of property, plant and equipment | 845,752 | ( 4,732) |
| Gains arising from lease modifications | 2,079 | 126 |
| Losses on disposals of investments | ( 84) | - |
| Net currency exchange gains (losses) | 2,794 | ( 914) |
| Other losses, net | ( 150) | ( 69) |
| | $ 851,210 | $ 10,089 |

(25) Finance costs

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Interest expense on bank borrowings | $ 22,082 | $ 15,727 |
| Interest expense on lease liabilities | 41,338 | 42,076 |
| Other financial expenses | 7,440 | 9,619 |
| | 70,860 | 67,422 |
| Less: Capitalized amounts for qualifying assets | ( 6,485) | ( 2,920) |
| | $ 64,375 | $ 64,502 |

(26) Expenses by nature

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Depreciation charge | $ 399,605 | $ 390,443 |
| Employee benefit expense | 362,908 | 339,755 |
| Cost of goods sold | 78,772 | 71,833 |
| Rent expense | 46,758 | 44,014 |
| Repairs and maintenance expense | 46,940 | 42,494 |
| Advertising costs | 41,523 | 46,475 |
| Utilities expense | 32,040 | 26,880 |
| Professional service fees | 10,525 | 9,740 |
| Amortisation | 654 | 2,839 |
| Other expenses | 177,695 | 171,129 |
| Operating costs and expenses | $ 1,197,420 | $ 1,145,602 |

(27) Employee benefit expense

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Wages and salaries | $ 288,135 | $ 268,083 |
| Labour and health insurance fees | 32,801 | 32,856 |
| Pension costs | 14,235 | 14,815 |
| Directors' remuneration | 11,265 | 9,344 |
| Other personnel expenses | 16,472 | 14,657 |
| | $ 362,908 | $ 339,755 |

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 0.5~1% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration. Employees' compensation shall not be less than 10% of distributable profit of the current year and shall be distributed in the form of cash or shares. Directors' and supervisors' remuneration shall be distributed in cash only. If the Company has accumulated deficits, earnings shall first be used to cover such deficits. Employees' compensation and directors' and supervisors' remuneration shall be accrued based on the profit situation of the current year and recognized as expenses. Any difference between the estimated amounts and the actual amounts approved by the Board of Directors shall be adjusted in the year when the resolutions are made.

B. For the year 2025, employees' compensation and directors' and supervisors' remuneration amounted to $4,308 and $4,308, respectively. The above amounts were distributed in cash. Based on the operating results for the year 2025, employees' compensation was accrued at 1%. As resolved by the Board of Directors on March 11, 2026, employees' compensation and directors' and supervisors' remuneration amounted to $4,308 and $4,308, respectively, of which employees' compensation was distributed in the form of cash.

   Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Reconciliation between income tax expense and accounting profit

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Tax calculated based on loss (profit) before tax and statutory tax rate | $ 139,916 | ($ 9,345) |
| Expenses disallowed by tax regulation | 1,357 | 304 |
| Tax exempt income by tax regulation | 23,045 | ( 6,268) |
| Temporary difference not recognized as deferred tax assets | 14 | 6,206 |
| Taxable loss not recognized as deferred tax assets | ( 116,159) | 9,103 |
| Income tax expense | $ 48,173 | $ - |

B. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

(a) There was no unused amount for the year 2025.

(b)

| December 31, 2024 | | | | |
|---|---|---|---|---|
| Year incurred | Amount filed/ assessed | Unused amount | Unrecognized deferred tax assets | Expiry year |
| 2017 | $ 44,973 | $ 8,758 | $ 8,758 | 2027 |
| 2020 | 124,433 | 124,433 | 124,433 | 2030 |
| 2021 | 127,563 | 127,563 | 127,563 | 2031 |
| 2022 | 320,038 | 320,038 | 320,038 | 2032 |
| | | $ 580,792 | $ 580,792 | |

C. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deductible temporary differences | $ 66 | $ 660,448 |

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(29) Earnings (losses) per share

| | Year ended December 31, 2025 | | |
|---|---|---|---|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Earnings per share (in dollars) |
| Basic earnings per share | | | |
| Profit from continuing operations attributable to ordinary shareholders of the parent | $ 651,481 | 108,000 | $ 6.03 |
| Diluted earnings per share | | | |
| Profit from continuing operations attributable to ordinary shareholders of the parent | $ 651,481 | 108,000 | |
| Assumed conversion of all dilutive potential ordinary shares employees' bonus | - | 236 | |
| Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares | $ 651,481 | 108,236 | $ 6.02 |

| | Year ended December 31, 2024 | | |
|---|---|---|---|
| | Amount after tax | Weighted average number of ordinary shares outstanding (share in thousands) | Losses per share (in dollars) |
| Basic (diluted) losses per share | | | |
| Profit from continuing operations attributable to ordinary shareholders of the parent | ($ 46,727) | 99,150 | ($ 0.47) |

(30) Supplemental cash flow information

Investing activities with partial cash payments:

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Purchase of property, plant and equipment | $ 156,384 | $ 107,325 |
| Add: Ending balance of prepayments for business facilities | 359 | - |
| Add: Opening balance of payable on equipment | 21,717 | 33,776 |
| Less: Ending balance of payable on equipment | ( 10,584) | ( 21,717) |
| Cash paid during the year | $ 167,876 | $ 119,384 |

(31) Changes in liabilities from financing activities

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Short-term borrowings | Long-term borrowings (Note) | Guarantee deposits received | Lease liability | Accounts payable - related parties | Liabilities from financing activities-gross |
| At January 1 | $ 488,457 | $ 300,098 | $ 23,581 | $ 2,705,668 | $ 208,410 | $ 3,726,214 |
| Changes in cash flow from financing activities | - | ( 65,270) | ( 311) | ( 252,351) | 1,500 | ( 316,432) |
| Changes in other non-cash items | - | - | - | ( 1,928,910) | - | ( 1,928,910) |
| At December 31 | $ 488,457 | $ 234,827 | $ 23,270 | $ 524,407 | $ 209,910 | $ 1,480,872 |

Note : Including long-term borrowings, current portion.

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Short-term borrowings | Long-term borrowings (Note) | Guarantee deposits received | Lease liability | Accounts payable - related parties | Liabilities from financing activities-gross |
| At January 1 | $ 480,957 | $ 270,573 | $ 21,921 | $ 2,586,504 | $ - | $ 3,359,955 |
| Changes in cash flow from financing activities | 7,500 | 29,525 | 1,660 | ( 253,150) | 208,410 | ( 6,055) |
| Changes in other non-cash items | - | - | - | 372,314 | - | 372,314 |
| At December 31 | $ 488,457 | $ 300,098 | $ 23,581 | $ 2,705,668 | $ 208,410 | $ 3,726,214 |

Note : Including long-term borrowings, current portion.

## 7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Company |
|---|---|
| Taroko Entertainment Co., Ltd. (Taroko Entertainment) | Subsidiary |
| Taroko Architecture Co., Ltd. (Taroko Architecture) | 〃 |
| Lu Hsin Co., Ltd. (Lu Hsin) | 〃 |
| Taroko US Corporation (Taroko US) | 〃 |
| Taroko JP Corporation (Taroko JP) | 〃 |
| Taroko US CA Corporation (Taroko US CA) | Sub-subsidiary |
| Style 80's Co., Ltd. (Style 80's) | 〃 |
| Shih Niang Co., Ltd. (Shih Niang) | Associates accounted for using equity method |
| Gji Ron Company Limited (Gji Ron) | 〃 |
| Ya Chen Development Co., Ltd. (Ya Chen) | 〃 |
| Yi Chen Development Co., Ltd. (Yi Chen) | 〃 |
| He Chen Development Co., Ltd. (He Chen) | 〃 |
| Pu Hua International Investment Limited (Pu Hua) | Entities controlled by key management of the Company |
| San Kong Rental & Service Co., Ltd. (San Kong Rental) | 〃 |

| Names of related parties | Relationship with the Company |
| --- | --- |
| San Sheng Corporation (San Sheng) | Entities controlled by key management of the Company |
| Hsieh Lin Industrial Co., Ltd. (Hsieh Lin) | 〃 |
| Ping Yuan Co., Ltd. (Ping Yuan) | 〃 |
| Hsun Ying Investment Ltd. (Hsun Ying) | 〃 |
| Hualien International Co., Ltd. | 〃 |
| La Trinite Naturelle Corp. (La Trinite Naturelle) | 〃 |

(2) Significant related party transactions

A. Operating revenue

| | Year ended December 31 | |
| --- | --- | --- |
| | 2025 | 2024 |
| Subsidiary | | |
| - Taroko Entertainment | $ 4,181 | $ 18,192 |
| - Lu Hsin | 537 | 673 |
| | $ 4,718 | $ 18,865 |

The abovementioned related parties entered into contract of tenant-counter with the Company and set up tenant-counter in the department store of the Company. The Company’s transaction terms to them are approximately the same with third parties.

B. Accounts receivable

| | December 31, 2025 | December 31, 2024 |
| --- | --- | --- |
| Subsidiary | | |
| - Taroko Entertainment | $ 22 | $ 879 |
| - Lu Hsin | - | 1,079 |
| Associates accounted for using equity method | | |
| - Others | - | 35 |
| | $ 22 | $ 1,993 |

The related parties lease a tenant-counter in the department store from the Company. Accounts receivable refer to the rent and mall service fee that Taroko Entertainment had not paid to the Company at the end of the year.

C. Other receivables

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Subsidiary | | |
| - Taroko Entertainment | $ 3,872 | $ 16 |
| - Lu Hsin | 897 | - |
| - Taroko US | 1,508 | 44,673 |
| - Others | 387 | 2 |
| | $ 6,664 | $ 44,691 |
| Associates accounted for using equity method | | |
| - Others | $ 250 | $ 183 |
| Entities controlled by key management of the Company - Others | 838 | 399 |
| Other related parties - Others | 499 | - |
| | $ 1,587 | $ 582 |
| | $ 8,251 | $ 45,273 |

Other receivables refer to the uncollected management service fee from handling related business and administrative operations for the abovementioned related parties and interest of loans to related parties, and proceeds receivable from the sale of property and equipment.

D. Accounts payable

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Subsidiary | | |
| - Taroko Entertainment | $ 28 | $ 1,591 |
| - Lu Hsin | 5,204 | 4,332 |
| Associates accounted for using equity method | | |
| - Others | 140 | 221 |
| Entities controlled by key management of the Company - Others | 20 | - |
| | $ 5,392 | $ 6,144 |

The abovementioned related parties lease tenant counters in the department store from the Company. Accounts payable refer to the net amount that the Company must pay based on the operating revenue of each tenant counter, after deducting a certain percentage for commission paid to the Company and the mall service fee.

E. Other payables

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Subsidiary | | |
| - Taroko Architecture | $ 341 | $ 1,065 |
| - Others | 31 | 23 |
| Associates accounted for using equity method | | |
| - He Chen | 1,691 | - |
| - Others | 96 | 163 |
| Entities controlled by key management of the Company - Others | 196 | 137 |
| | $ 2,355 | $ 1,388 |

Other payables pertained to department store counter payments made by related parties on behalf of the Company and management fee paid to related parties.

F. Loans to /from related parties

(a) Loans from related parties (classified under 'Other payables - related parties')

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Entities controlled by key management of the Group - Hsun Ying | $ 209,910 | $ 208,410 |

The interest expense on the loans from Hsun Ying for the years 2025 and 2024 is paid at annual interest rates of 2.8%~3.0% and 2.8%, respectively.

(b) Loans to related parties (classified under 'Other receivables - related parties')

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Subsidiary | | |
| -Taroko Architecture | $ - | $ 2,000 |
| - Lu Hsin | 20,000 | - |
| Associates accounted for using equity method | | |
| - Ya Chen | 15,000 | 15,000 |
| | $ 35,000 | $ 17,000 |

(c) Interest income

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary | | |
| -Taroko Entertainment | $ - | $ 53 |
| -Taroko Architecture | 81 | 142 |
| - Lu Hsin | 144 | 529 |
| Sub-subsidiary - Style 80's | - | 78 |
| Associates accounted for using equity method | | |
| - Ya Chen | 439 | 550 |
| | $ 664 | $ 1,352 |

(d) Interest expense

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Entities controlled by key management of the Group - Ping Yuan | $ - | $ 147 |

G. Revenue from management service fees

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary | | |
| -Taroko Entertainment | $ 7,100 | $ 15,816 |
| - Lu Hsin | 14,850 | 16,047 |
| Associates accounted for using equity method | | |
| - Others | 645 | 1,121 |
| | $ 22,595 | $ 32,984 |

Management service fees were collected from related parties for providing management services. The fees were based on mutual agreement and were paid in the following month.

H. Expense from management service fees

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary - Taroko Architecture | $ 3,849 | $ 5,164 |
| Associates accounted for using equity method | | |
| - He Chen | 2,026 | - |
| | $ 5,875 | $ 5,164 |

The management service fee that related parties received from providing management service to the Company. The service consideration is determined according to the mutual agreement and collected in the following month.

I. Lease Liability - Lessee

The Company leases real estate from its subsidiary for a lease term of nine years, with rental payments due on a monthly basis.

(a) Right-of-Use Asset

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary - Taroko Architecture | $ - | $ 91,017 |

(b) Lease Liability

i. Ending Balance

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Subsidiary - Taroko Architecture | $ 79,284 | $ 88,126 |

ii. Interest Expense

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary - Taroko Architecture | $ 2,417 | $ 862 |

J. Property Transactions

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Subsidiary - Taroko Entertainment | $ 84,401 | $ - |

On June 10, 2025, the Company entered into an asset transfer agreement with its subsidiary and acquired property, plant and equipment related to Formosa stone spa.

(3) Key management compensation

| | Year ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Short-term employee benefits | $ 23,283 | $ 16,480 |
| Post-employment benefits | 643 | 507 |
| Termination benefits | 1,247 | - |
| | $ 25,173 | $ 16,987 |

(Remainder of page intentionally left blank)

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

| | Book value | | |
|---|---|---|---|
| Pledged asset | December 31, 2025 | December 31, 2024 | Purpose |
| Financial assets at fair value through profit or loss - Listed company stocks | $ 3,171 | $ 2,352 | Short-term borrowings |
| Inventories | 474,170 | 474,170 | Short-term and long-term borrowings |
| Financial assets at fair value through other comprehensive income - Listed stocks | 176,217 | 130,704 | Short-term borrowings |
| Other current assets | | | |
| - Restricted cash in banks | 552,048 | 47,574 | Short-term borrowings, guarantee for the issuance of notes and bills, trust accounts and performance guarantee |
| Other non-current assets | | | |
| - Restricted cash in banks | 40,719 | 40,719 | Long-term borrowings and building leasing performance guarantee |
| - Guarantee deposits paid | 59,500 | 57,500 | Long-term borrowings |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1)As of December 31, 2025 and 2024, the Company entered into a number of building designs and shopping mall planning contracts for indoor decoration in Taroko Mall and interior construction in Taroko Square. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Property, plant and equipment | $ - | $ 14,012 |

(2) On April 15, 2024, the Company entered into a joint investment and construction agreement for the urban reconstruction of the Zhongshan Section with San Kong Rental & Service Co., Ltd., Li, Chi-Lin and Hsun Ying Investment, Ltd. As of December 31, 2025, the total contract value of projects signed by the company amounted to $282,000, with $4,404 of the contracted amount yet to be paid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) For the 2025 earnings distribution proposal, please refer to Note 6(19).

(2) On March 11, 2026, the Board of Directors approved the Company's Japanese subsidiary's, Taroko JP Corporation, plans to acquire two facilities located in Chiba and Utsunomiya for a total consideration of approximately JPY 130 million.

## 12. OTHERS

### (1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain a healthy capital base, the Company considers operating capital needs, capital expenditures and dividend expenditures in the future to monitor the Company's capital structure through financial analysis as to fulfil capital management goals.

### (2) Financial instruments

A. Financial instruments by category

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | $ | 3,204 | $ | 2,385 |
| Financial assets mandatorily measured at fair value through profit or loss | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Designation of equity instrument | | 183,664 | | 135,609 |
| Financial assets at amortised cost | | | | |
| Cash and cash equivalents | | 634,628 | | 296,564 |
| Accounts receivable (including related parties) | | 51,618 | | 46,430 |
| Other receivables (including related parties) | | 45,225 | | 63,770 |
| Guarantee deposits paid | | 128,201 | | 144,792 |
| Restricted cash in banks | | 592,767 | | 88,293 |
| | $ | 1,639,307 | $ | 777,843 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | | | | |
| Short-term borrowings | $ | 488,457 | $ | 488,457 |
| Notes payable | | 1,834 | | 3,133 |
| Accounts payable (including related parties) | | 231,454 | | 227,851 |
| Other accounts payable (including related parties) | | 412,742 | | 327,370 |
| Long-term borrowings (including current portion) | | 234,827 | | 300,098 |
| Guarantee deposits received | | 23,270 | | 23,581 |
| | $ | 1,392,584 | $ | 1,370,490 |
| Lease liability | $ | 524,407 | $ | 2,705,668 |

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require Company companies to manage their foreign exchange risk against their functional currency.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency is New Taiwan dollars, NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| | Year ended December 31, 2025 | | |
|---|---|---|---|
| | Foreign currency amount (in thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | $ 409 | 31.43 | $ 12,869 |
| RMB:NTD | 37 | 4.50 | 165 |
| JPY:NTD | 10,721 | 0.20 | 2,153 |
| Non-monetary items | | | |
| USD:NTD | $ 168 | 31.43 | $ 5,268 |
| HKD:NTD | 1,230 | 4.04 | 4,967 |

| | Year ended December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Foreign currency amount (in thousands) | | Exchange rate | | Book value (NTD) |
| (Foreign currency: functional currency) | | | | | |
| Financial assets | | | | | |
| Monetary items | | | | | |
| USD:NTD | $ | 507 | 32.79 | $ | 16,620 |
| RMB:NTD | | 37 | 4.49 | | 164 |
| JPY:NTD | | 1,829 | 0.21 | | 384 |
| Non-monetary items | | | | | |
| USD:NTD | $ | 164 | 32.79 | $ | 5,373 |
| HKD:NTD | | 1,244 | 4.22 | | 5,254 |

iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to $2,794 and ($914), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| | Year ended December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Degree of variation | | Effect on profit or loss | | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | |
| Financial assets | | | | | |
| Monetary items | | | | | |
| USD:NTD | 1% | $ | 129 | $ | - |
| RMB:NTD | 1% | | 2 | | - |
| JPY:NTD | 1% | | 22 | | - |

| | Year ended December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Degree of variation | | Effect on profit or loss | | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | |
| Financial assets | | | | | |
| Monetary items | | | | | |
| USD:NTD | 1% | $ | 166 | $ | - |
| RMB:NTD | 1% | | 2 | | - |
| JPY:NTD | 1% | | 4 | | - |

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $26 and $19, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $1,837 and $1,356, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During 2025 and 2024, the Company's borrowings at variable rate were denominated in New Taiwan dollars.

ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by $1,447 and $1,577, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows stated at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

iii. The Company is primarily engaged in retail of department store and shopping centre and leisure and recreation business. Accounts receivable account for a small proportion to the total assets, and the possibility of unrecoverable is remote.

iv. Based on the past collection experience, the default occurs when the contract payments are past due over 90 days.

v. For accounts receivable arising from transactions, the methods of assessing the expected credit risk of accounts receivable by the Company are as follows:

(i). Assess the expected credit loss on an individual basis if a significant default has occurred to certain customers;

(ii). The remaining receivables are grouped in accordance with the credit rating of customers. Different loss rates are applied to the different groups when estimating expected credit losses.

vi. The Company used the forecastability of Business Indicators DataBase in the National Development Council to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the provision matrix is as follows:

| | Up to 30 days past due | 31~60 days past due | 61~90 days past due | 91~180 days past due | Past due over 180 days | Total |
|---|---|---|---|---|---|---|
| December 31, 2025 | | | | | | |
| Expected loss rate | 0.05% | 0.05% | 0.05% | 0.05% | 61.38% | |
| Total book value | $ 35,615 | $ 12,400 | $ 2,795 | $ 39 | $ 1,999 | $ 52,848 |
| Loss allowance | $ 18 | $ 6 | $ 1 | $ - | $ 1,227 | $ 1,252 |

| | Up to 30 days past due | 31~60 days past due | 61~90 days past due | 91~180 days past due | Past due over 180 days | Total |
|---|---|---|---|---|---|---|
| December 31, 2024 | | | | | | |
| Expected loss rate | 0.06% | 0.06% | 0.06% | 0.06% | 68.99% | |
| Total book value | $ 34,840 | $ 8,769 | $ 204 | $ 100 | $ 1,776 | $ 45,689 |
| Loss allowance | $ 21 | $ 5 | $ - | $ - | $ 1,226 | $ 1,252 |

The above ageing analysis was based on invoice date.

vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

| | 2025 | 2024 |
|---|---|---|
| | Accounts receivable | Accounts receivable |
| At January 1 (I.e. December 31) | $ 1,252 | $ 1,252 |

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate and sufficient liquidity to provide sufficient head-room to the Company.

iii. The Company has the following undrawn borrowing facilities:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Floating rate | | |
| Expiring within one year | $ - | $ 7,500 |
| Expiring beyond one year | 2,720 | 2,720 |
| | $ 2,720 | $ 10,220 |

iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | With in year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| December 31, 2025 | | | | |
| Non-derivative financial liabilities: | | | | |
| Short-term borrowings | $ 498,851 | $ - | $ - | $ - |
| Accounts payable (including related parties) | 231,454 | - | - | - |
| Other payables (including related parties) | 412,742 | - | - | - |
| Long-term borrowings (including current portion) | 121,239 | 74,301 | 42,633 | 7,138 |
| Lease liability | 77,083 | 67,999 | 168,023 | 294,288 |

| | With in year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| December 31, 2024 | | | | |
| Short-term borrowings | $ 498,851 | $ - | $ - | $ - |
| Accounts payable (including related parties) | 227,851 | - | - | - |
| Other payables (including related parties) | 327,370 | - | - | - |
| Long-term borrowings (including current portion) | 161,274 | 91,952 | 58,684 | - |
| Lease liability | 297,452 | 282,694 | 822,515 | 1,556,086 |

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), accounts payable, other receivables (including related parties), other payables (including related parties), short-term borrowings and long-term borrowings (including current portion) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| December 31, 2025 | | | | |
| **Assets** | | | | |
| Recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | $ 3,171 | $ - | $ - | $ 3,171 |
| Agreement on movie investment | - | - | 33 | 33 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 176,217 | - | 7,447 | 183,664 |
| | $ 179,388 | $ - | $ 7,480 | $ 186,868 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| December 31, 2024 | | | | |
| **Assets** | | | | |
| Recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | $ 2,352 | $ - | $ - | $ 2,352 |
| Agreement on movie investment | - | - | 33 | 33 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 130,704 | - | 4,905 | 135,609 |
| | $ 133,056 | $ - | $ 4,938 | $ 137,994 |

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed shares and the closing price as market quoted prices.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

iii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments.

Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3).

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

F. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

| | 2025 | |
|---|---|---|
| | Equity securities | Movie investment |
| At January 1 | $ 4,905 | $ 33 |
| Gains and losses recognized in profit or loss | 2,542 | - |
| At December 31 | $ 7,447 | $ 33 |

| | 2024 | | |
|---|---|---|---|
| | Equity securities | Movie investment | Development project investment |
| At January 1 | $ 5,110 | $ 34 | $ 97,692 |
| Gains and losses recognized in profit or loss | ( 205) | 389 | ( 37,692) |
| Decrease in investment cost | - | ( 390) | ( 60,000) |
| At December 31 | $ 4,905 | $ 33 | $ - |

H. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

I. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| | Fair value at December 31, 2025 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Agreement on movie investment | $ 33 | Discounted cash flow | Discount rate | 8.60% | The higher the discount rate, the lower the fair value |
| Unlisted Company Stocks | 7,447 | P/B Ratio | Net Asset Value | - | The higher the multiple and control equity, the higher the fair value. |

| | Fair value at December 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Agreement on movie investment | $ 33 | Discounted cash flow | Discount rate | 8.60% | The higher the discount rate, the lower the fair value |
| Unlisted Company Stocks | 4,905 | P/B Ratio | Net Asset Value | - | The higher the multiple and control equity, the higher the fair value. |

K. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. If valuation parameters from financial assets and liabilities categorised within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2025 and 2024.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. SEGMENT INFORMATION

Not applicable.

TRK Corporation

Loans to others

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No. (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the year ended December 31, 2025 | Balance at December 31, 2025 | Actual amount drawn down | Interest rate | Nature of loan (Note 2) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 3) | Ceiling on total loans granted (Note 3) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | TRK Corporation | Taroko Architecture Co., Ltd. | Other receivables due from related parties | Yes | 20,000 | 10,000 | - | 2.60% | 2 | - | Operating capital | - | Secured commercial paper | 10,000 | 166,568 | 666,272 | |
| 0 | TRK Corporation | Lu Hsin Co., Ltd. | Other receivables due from related parties | Yes | 30,000 | 30,000 | 20,000 | 2.60% | 2 | - | Operating capital | - | Secured commercial paper | 30,000 | 166,568 | 666,272 | |
| 0 | TRK Corporation | Ya Chen Development Co., Ltd. | Other receivables due from related parties | Yes | 30,000 | 30,000 | 15,000 | 2.93% | 2 | - | Operating capital | - | Secured commercial paper | 15,000 | 166,568 | 666,272 | |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Nature of loan: 1. For business transaction. 2. For short-term financing.

Note 3: The ceiling on loans granted by the Company and subsidiaries shall not exceed 40% of the company's net assets, while for companies having business relationship with the Company, ceiling on loans granted shall not exceed 20% of the company's net assets. For short-term capital needs, the ceiling on loans granted shall not exceed 40% of the Company's net assets; for companies having business relationship with the Company, the limit on loans granted to a single party shall not exceed the amount of business transactions, while for short-term financing, ceiling on loans granted shall not exceed 10% of the net assets.

TRK Corporation

Provision of endorsements and guarantees to others

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| Number (Note 1) | Endorser/guarantor | Party being endorsed/ guaranteed | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company name | Relationship with the endorser/guarantor (Note 2) | Limit on endorsements/guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of December 31, 2025 | Outstanding endorsement/ guarantee amount at December 31, 2025 | Actual amount drawn down | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company | Ceiling on total amount of endorsements /guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary | Provision of endorsements/ guarantees by subsidiary to parent company | Provision of endorsements/ guarantees to the party in Mainland China | Footnote |
| 0 | TRK Corporation | Hsun Ying Investment, Ltd. | 5 | $ 832,840 | $ 354,000 | $ 354,000 | $ 349,850 | - | 21.25% | $ 4,164,198 | N | N | N | |
| 0 | TRK Corporation | Lu Hsin Co., Ltd. | 3 | 3,331,358 | 135,000 | 135,000 | 67,494 | - | 8.10% | 4,164,198 | Y | N | N | |
| 0 | TRK Corporation | Taroko Entertainment Co., Ltd. | 3 | 3,331,358 | 100,000 | 70,000 | 41,577 | - | 4.20% | 4,164,198 | Y | N | N | |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed subsidiary.

(3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Limit on endorsements / guarantees provided is 250% of the Company's net worth based on the latest financial statements. Limit on endorsement/guarantee to a single subsidiary is 50% of the Company's net assets. However, for the subsidiary which the Company holds more than 70% of the shares directly or indirectly, the limit shall be less than 200% of the Company's net worth and it is necessary to explain the necessity and reasonableness at the shareholders' meeting.

TRK Corporation

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

| | | | | As of December 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| TRK Corporation | Power Wind Health Industry Incorporated | None | Financial assets at fair value through profit or loss | 21,000 | $ 3,171 | - | $ 3,171 | |
| TRK Corporation | Power Wind Health Industry Incorporated | None | Financial assets at fair value through other comprehensive income | 1,167,000 | $ 176,217 | 1.47% | $ 176,217 | |
| TRK Corporation | Bo Xin Health Industry Incorporated | 〃 | 〃 | 150,000 | 7,447 | 10.00% | 7,447 | |
| Taroko Architecture Co., Ltd. | Kong Cheng Enterprises Co., Ltd. | The Company's chairman is the chairman of the company | 〃 | 7,458,000 | 32,508 | 15.23% | 32,508 | |
| Taroko Architecture Co., Ltd. | GlobalTown Development Co., Ltd. | None | 〃 | 344,862 | 3,806 | 6.27% | 3,806 | |
| | | | | | | | $ 219,978 | |

TRK Corporation

Significant inter-company transactions during the reporting periods

Year ended December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship | Transaction: General ledger account | Transaction: Amount | Transaction: Transaction terms | Transaction: Percentage of consolidated total operating revenues or total assets (%) (Note 2) |
|---|---|---|---|---|---|---|---|
| 0 | TRK Corporation | Taroko Entertainment Co., Ltd. | Parent company to subsidiary | Operating revenue | $ 4,181 | Note 3 | 0.31% |
| 0 | TRK Corporation | Taroko Entertainment Co., Ltd. | Parent company to subsidiary | Other income | 7,100 | Note 4 | 0.53% |
| 0 | TRK Corporation | Lu Hsin Co., Ltd. | Parent company to subsidiary | Accounts payable | 5,204 | Note 3 | 0.12% |
| 0 | TRK Corporation | Lu Hsin Co., Ltd. | Parent company to subsidiary | Other income | 14,850 | Note 4 | 1.11% |
| 0 | TRK Corporation | Taroko US Corporation | Parent company to subsidiary | Other receivables | 1,508 | Note 3 | 0.03% |
| 1 | Taroko Architecture Co., Ltd. | TRK Corporation | Subsidiary to Parent company | Operating revenue | 11,259 | 〃 | 0.84% |
| 1 | Taroko Architecture Co., Ltd. | TRK Corporation | Subsidiary to Parent company | Other income | 3,849 | Note 4 | 0.29% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 3: Transaction prices and the credit terms are approximately the same with third parties.

Note 4: It pertained to the provision of management services. Prices are determined based on mutual agreements and payments are based on financial condition.

Note 5: It pertained to loans receivable.

Note 6: It pertained to payment on behalf of sub-subsidiary.

Note 7: Only transaction amount that exceeds NTD 1 million will be disclosed, otherwise will not be disclosed.

TRK Corporation

Information on investees

Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

| | | | | Initial investment amount | | Shares held as at December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Investor | Investee | Location | Main business activities | Balance as at December 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the year ended December 31, 2025 | Investment income (loss) recognised by the Company for the year ended December 31, 2025 | Footnote |
| TRK Corporation | Gowin Development Ltd. | British Virgin Islands | A holding company which investing in the Mainland China | $ 194,236 | $ 194,236 | 6,375,000 | 1.00 | $ 4,967 | ($ 58) | ($ 58) | |
| TRK Corporation | Taroko Architecture Co., Ltd. | Taiwan | Trading of real estate and securities | 469,709 | 460,709 | 20,900,000 | 1.00 | 106,964 | (8,531) | (7,260) | |
| TRK Corporation | Taroko Recreation Management Co., Ltd. | Anguilla | A holding company which investing in the Mainland China | 371,827 | 371,827 | 11,910,000 | 1.00 | 5,268 | 116 | 116 | |
| TRK Corporation | Taroko US Corporation | United States of America | A holding company which investing in the United States of America | 489,223 | 424,993 | 138,664 | 0.75 | 370,956 | (89,086) | (67,477) | |
| TRK Corporation | Taroko Entertainment Co., Ltd. | Taiwan | Recreational activities venue business | 379,350 | 379,350 | 7,001,000 | 1.00 | 32,636 | 696 | (861) | |
| TRK Corporation | Lu Hsin Co., Ltd. | Taiwan | Wholesale of books and stationery | 31,520 | 31,520 | 3,152,000 | 0.70 | (65,650) | (10,428) | (37,009) | |
| TRK Corporation | Xingchen Development Co., Ltd. | Taiwan | Housing and building development | 139,935 | - | 13,993,500 | 0.54 | 140,043 | 199 | 108 | |
| TRK Corporation | Taroko JP Corporation | Japan | Recreational activities venue business | 21,972 | - | 10,000 | 1.00 | 14,392 | (5,905) | (5,905) | |
| TRK Corporation | Shih Niang Co., Ltd. | Taiwan | Restaurant industry | 4,900 | 4,900 | 490,000 | 0.49 | 4,796 | (1,376) | (674) | |
| TRK Corporation | Gji Ron Company Limited | Taiwan | Real estate leasing | 3,577 | 3,577 | 325,550 | 0.33 | 3,045 | (34) | (11) | |
| TRK Corporation | Ya Chen Development Co., Ltd. | Taiwan | Housing and building development | 9,690 | 9,690 | 969,000 | 0.19 | 9,692 | (208) | (194) | |
| TRK Corporation | Boruem Real Estate Development Co., Ltd. | Taiwan | Housing and building development | 27,500 | 27,500 | 2,750,000 | 0.25 | 20,402 | (9,750) | (2,542) | |
| Taroko Architecture | Style 80's Co., Ltd. | Taiwan | Hotels and motels, restaurant industry | 30,000 | 30,000 | 1,680,000 | 0.60 | 22,430 | 1,459 | - | |
| Taroko Architecture | Taroko Artificial Intelligence Co., Ltd. | Taiwan | Automation and control equipment engineering industry | 3,000 | - | 300,000 | 0.30 | 1,593 | (3,600) | - | |
| Taroko US Corporation | Taroko US CA Corporation | United States of America | Recreational activities venue business | 9,377 | 9,377 | 3,000 | 1.00 | - | (1,242) | - | |
| Taroko Entertainment | Taroko US Corporation | United States of America | A holding company which investing in the United States of America | 66,051 | - | 18,200 | 0.10 | 48,689 | (89,086) | - | |
| Xingchen | He Chen Development Co., Ltd. | Taiwan | Housing and building development | 262,500 | - | 13,993,500 | 0.35 | 258,370 | 1,312 | - | |

TRK Corporation

Names, locations and other information of investee companies (excluding investees in Mainland China)

Year ended December 31, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025 | | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 | Net income of investee as of December 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2) | Book value of investments in Mainland China as of December 31, 2025 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Jinan Taroko Photoelectric Technology Co., Ltd. | Operation of business portfolio such as hot cathode fluorescent lamps, cold cathode fluorescent lamps, ballasts and panels | $ 14,240 | 2 | $ 14,240 | $ - | $ - | $ 14,240 | $ - | 0.00% | $ - | $ - | $ - | Note 3, 4 |
| Shandong Taroko Weaving & Dyeing Industry Co., Ltd. | Development of textile technology, fiber dyeing of advanced chemical fiber fabric and as well as post processing | 448,560 | 2 | 149,406 | - | - | 149,406 | - | 0.00% | - | - | - | Note 3, 6 |
| SH G-RUN Sport and Investment Management Ltd. | Operation of sports facility and restaurant management | 339,197 | 2 | 339,197 | - | - | 339,197 | ( 14,879) | 30.00% | - | - | - | Note 5 |

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|---|---|---|---|
| TRK Corporation | $ 502,843 | $ 531,015 | $ 1,107,325 |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: It based on investees' financial statements which were not reviewed by independent accountants.

Note 3: A subsidiary of the Company, Gowin Development Ltd., invested in Shandong Taroko Weaving & Dyeing Industry Co., Ltd. through reinvesting in Happy Year Investment Co., Ltd. with the investment in Jinan Taroko Photoelectric Technology Co., Ltd. at its net value of RMB 47,107 in the year of 2006. The investment was completed with the local competent authorities.

Note 4: The investee company completed the liquidation in the first quarter of 2008 and obtained the withdrawal letter issued by the Investment Commission, Ministry of Economic Affairs.

Note 5: The Company obtained 99.19% equity interest of SH G-RUN Sport and Investment Management Ltd. through reinvesting in Taroko Recreation management Co., Ltd. The total investment was USD 12,000 thousand and the investment was approved by the Investment Commission, Ministry of Economic Affairs; An investee company, Shandong Taroko Weaving & Dyeing Industry Co., Ltd., which 40% indirectly held by the Company obtained 0.81% equity interest of SH G-RUN Sport and Investment Management Ltd.. The total investment was USD 100 thousand and the equity interest was sold to a third party, Jinan Trade Base Trading Co., Ltd. in the year of 2015; 50% and 19.19% of equity interest from abovementioned investment in Taroko Recreation management Co., Ltd. was sold to Shanghai Aoyuan and Jinan Trade Base Trading Co., Ltd., respectively, in the year of 2020. The transfer of investment was approved by the Investment Commission, Ministry of Economic Affairs. Yingbo Holding Group Co., Ltd. in the year of 2014 with the transaction amount of RMB 115,000 thousand. The above equity transaction was completed in the year of 2016.

TRK CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

| Item | Description | | | Amount | |
|---|---|---|---|---|---|
| Revolving funds and petty cash | | | | $ | 8,800 |
| Cash on hand | | | | | |
| －NTD | | | | | 8,705 |
| －RMB | RMB | 4,882, exchange rate | 4.50 | | 22 |
| －JPY | JPY | 23,803, exchange rate | 0.20 | | 5 |
| Demand deposits | | | | | |
| －NTD | | | | | 601,936 |
| －USD | USD | 409,451.68, exchange rate | 31.43 | | 12,869 |
| －RMB | RMB | 31,709, exchange rate | 4.50 | | 143 |
| －JPY | JPY | 10,697,693, exchange rate | 0.20 | | 2,148 |
| | | | | $ | 634,628 |

TRK CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

| Item | Description | Amount: Cost | Amount: Market vlaue (Note) | Footnote |
|---|---|---|---|---|
| Construction segment | | | | |
| Land held for construction site | Xinzhoumei Section No. 89 | $ 240,281 | $ 240,281 | The net realizable value is the market value. |
| | Zhongshan Section 1 No. 540,541 | 233,889 | 233,889 | |
| Prepayment for land purchase | Zhongshan Section 1 No. 540,541 | 52,345 | 52,345 | |
| Shopping centres segment | | | | |
| Merchandise | | 43,673 | 42,091 | The net realizable value is the market value. |
| Food and beverage supplies | | 385 | 385 | |
| | | 570,573 | $ 568,991 | |
| Less: Allowance for valuation loss | | ( 1,582) | | |
| | | $ 568,991 | | |

Note: The market value of land held for construction site and merchandise specified as the cost or net realizable value, whichever is lower.

TRK CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

| | Balance as of January 1, 2025 | | Addition | | Decrease | | Balance as of December 31, 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Subscription ratio | Book value | Subscription ratio | Amount | Subscription ratio | Amount | Subscription ratio | Book value | Collateral |
| Current items: | | | | | | | | | |
| Listed stocks | | | | | | | | | |
| Power Wind Health Industry Incorporated | - | $ 2,414 | - | $ - | - | $ - | - | $ 2,414 | Yes |
| Valuation adjustment | | ( 62) | | 819 | | - | | 757 | |
| | | $ 2,352 | | $ 819 | | $ - | | $ 3,171 | |
| Non-current items: | | | | | | | | | |
| Equity instruments | | | | | | | | | |
| Hualien International Co., Ltd. on the distribution right of 26 Taiwan movies | 15% | $ 2,583 | - | $ - | - | $ - | 15% | $ 2,583 | None |
| | | 2,583 | | - | | - | | 2,583 | |
| Valuation adjustment | | ( 2,550) | | - | | - | | ( 2,550) | |
| | | $ 33 | | $ - | | $ - | | $ 33 | |

TRK CORPORATION
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

| Name | Balance as of January 1, 2025 | | Addition | | Decrease | | Balance as of December 31, 2025 | | Collateral |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Book value | Shares | Amount | Shares | Amount | Shares | Book value | |
| Listed stocks | | | | | | | | | |
| Power Wind Health Industry Incorporated | 1,167,000 | $ 166,335 | - | $ - | - | $ - | 1,167,000 | $ 166,335 | Yes |
| Unlisted stocks | | | | | | | | | |
| All-Aspect Enterprise Ltd. | 50 | 14,820 | - | - | - | - | 50 | 14,820 | None |
| Bo Xin Health Industry Incorporated. | 150,000 | 3,402 | - | - | - | - | 150,000 | 3,402 | " |
| | | 184,557 | | - | | - | | 184,557 | |
| Valuation adjustment | | ( 48,948) | | 48,055 | | - | | ( 893) | |
| | | $ 135,609 | | $ 48,055 | | $ - | | $ 183,664 | |

# TRK CORPORATION
## STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
## FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

| | Balance of January 1, 2025 | | Addition | | Decrease | | Other adjustment | Balance as of December 31, 2025 | | | Market Value or Net Assets Value | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Amount | Number of shares | Percentage of Ownership | Amount | Unit Price (in dollars) | Total price | Basis of Valuation |
| He Chen Development Co., Ltd. | 14,250,000 | $ 140,019 | - | $ - | ( 14,250,000) | ($ 140,019) | $ - | - | 0.00% | $ - | $ - | $ - | Equity method |
| Taroko US Corporation | 390,918 | 389,787 | 1,952,060 | 64,230 | - | ( 67,477) | ( 15,584) | 2,342,978 | 75.14% | 370,956 | - | 370,956 | 〃 |
| Taroko Architecture Co., Ltd. | 20,000,000 | 107,136 | 900,000 | 9,000 | - | ( 7,260) | ( 1,912) | 20,900,000 | 100.00% | 106,964 | - | 106,964 | 〃 |
| Taroko Entertainment Co., Ltd. | 7,001,000 | 42,927 | - | - | - | ( 861) | ( 9,430) | 7,001,000 | 100.00% | 32,636 | - | 32,636 | 〃 |
| Boruem Real Estate Development CO., Ltd. | 2,750,000 | 22,944 | - | - | - | ( 2,542) | - | 2,750,000 | 25.00% | 20,402 | - | 20,402 | 〃 |
| Ya Chen Development Co., Ltd. | 969,000 | 9,886 | - | - | - | ( 194) | - | 969,000 | 19.00% | 9,692 | - | 9,692 | 〃 |
| Taroko Recreation Management Co., Ltd. | 1,191,000 | 5,373 | - | 116 | - | - | ( 221) | 1,191,000 | 100.00% | 5,268 | - | 5,268 | 〃 |
| Gowin Development Ltd. | 6,375,000 | 5,254 | - | - | - | ( 58) | ( 229) | 6,375,000 | 100.00% | 4,967 | - | 4,967 | 〃 |
| Shih Niang CO., Ltd. | 490,000 | 5,470 | - | - | - | ( 674) | - | 490,000 | 49.00% | 4,796 | - | 4,796 | 〃 |
| Gji Ron Company Limited | 325,000 | 3,056 | - | - | - | ( 11) | | 325,000 | 32.55% | 3,045 | - | 3,045 | 〃 |
| Xingchen Development Co., Ltd. | - | - | 13,993,500 | 140,043 | - | - | - | 13,993,500 | 54.29% | 140,043 | | 140,043 | 〃 |
| Taroko JP Corporation | - | - | 5,050,000 | 21,970 | - | ( 5,905) | ( 1,673) | 5,050,000 | 100.00% | 14,392 | | 14,392 | 〃 |
| Lu Hsin Co., Ltd. | 3,152,000 | - | - | - | - | ( 37,009) | 37,009 | 3,152,000 | 70.04% | - | - | - | 〃 |
| | | $ 731,852 | | $ 235,359 | | ($ 262,010) | $ 7,960 | | | $ 713,161 | | $ 713,161 | |
| | | | | (Note 1) | | (Note 2) | (Note 3) | | | | | | |

Note 1: The additions this year includes recognized increase in investments of $235,135, and gains on investments of $224.

Note 2: The decreases this year includes losses on disposal of investments of $140,019, and impairment losses of $121,991.

Note 3: Other adjustment this year includes recognized cumulative translation adjustment of ($31,304), changes in ownership interests in subsidiaries of $6,686, credit balance of investments accounted for using equity method offset other receivables due from related parties of $37,009, and changes in equity of associates and joint ventures accounted for using equity method of ($4,431).

TRK CORPORATION
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

| Item | Balance as of January 1, 2025 | Addition | Decrease | Tansfer | Balance as of December 31, 2025 | Collateral |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Buildings and structures | $ 5,196 | $ - | $ - | $ - | $ 5,196 | None |
| Machinery and equipment | 15,717 | 171 | ( 2,384) | ( 13,414) | 90 | 〃 |
| Transportation equipment | 3,662 | 993 | ( 240) | - | 4,415 | 〃 |
| Office equipment | 182,942 | 35,797 | ( 86,939) | 14,361 | 146,161 | 〃 |
| Other equipment | 8,836 | - | ( 7,888) | ( 940) | 8 | 〃 |
| Leasehold improvements | 821,590 | 108,861 | ( 591,081) | 15,965 | 355,335 | 〃 |
| Construction in progress and equipment under acceptance | 18,413 | 10,562 | ( 4,446) | ( 17,562) | 6,967 | 〃 |
| | $ 1,056,356 | $ 156,384 | ($ 692,978) | ($ 1,590) | $ 518,172 | |
| Accumulated depreciation | | | | | | |
| Buildings and structures | ($ 3,017) | ($ 493) | $ - | $ - | ($ 3,510) | |
| Machinery and equipment | ( 12,661) | ( 80) | 2,193 | 10,531 | ( 17) | |
| Transportation equipment | ( 2,132) | ( 816) | 240 | - | ( 2,708) | |
| Office equipment | ( 116,001) | ( 32,901) | 70,066 | ( 11,478) | ( 90,314) | |
| Other equipment | ( 8,416) | ( 138) | 7,606 | 940 | ( 8) | |
| Leasehold improvements | ( 441,061) | ( 98,240) | 359,477 | - | ( 179,824) | |
| | ($ 583,288) | ($ 132,668) | $ 439,582 | ($ 7) | ($ 276,381) | |
| Book value | $ 473,068 | | | | $ 241,791 | |

TRK CORPORATION
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

| Item | Balance as of January 1, 2025 | Addition | Decrease | Transfer | Balance as of December 31, 2025 | Collateral |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Buildings | $ 3,129,629 | $ 14,032 | ($ 2,420,987) | $ 53,345 | $ 776,019 | None |
| Machinery and equipment | 9,835 | 464 | ( 8,323) | - | 1,976 | 〃 |
| Transportation equipment | 13,146 | 9,248 | ( 3,363) | - | 19,031 | 〃 |
| | $ 3,152,610 | $ 23,744 | ($ 2,432,673) | $ 53,345 | $ 797,026 | |
| Accumulated depreciation | | | | | | |
| Buildings | ($ 1,073,461) | ($ 218,547) | $ 1,023,849 | ($ 20,395) | ($ 288,554) | |
| Machinery and equipment | ( 6,747) | ( 1,816) | 7,028 | - | ( 1,535) | |
| Transportation equipment | ( 5,916) | ( 5,021) | 3,363 | - | ( 7,574) | |
| | ($ 1,086,124) | ($ 225,384) | $ 1,034,240 | ($ 20,395) | ($ 297,663) | |
| Book value | $ 2,066,486 | | | | $ 499,363 | |

TRK CORPORATION
STATEMENT OF CHANGES IN INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

| Item | Balance as of January 1, 2025 | Addition | Decrease | Transfer | Balance as of December 31, 2025 | Collateral |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Land | $ 16,782 | $ - | $ - | $ - | $ 16,782 | None |
| Right-of-use assets | 721,289 | - | ( 667,944) | ( 53,345) | - | 〃 |
| | 738,071 | - | ( 667,944) | ( 53,345) | 16,782 | |
| Accumulated depreciation | | | | | | |
| Right-of-use assets | ( 259,853) | ( 41,553) | 281,011 | 20,395 | - | |
| Accumulated impairment | | | | | | |
| Land | ( 7,967) | - | - | - | ( 7,967) | |
| Book value | $ 470,251 | ($ 41,553) | ($ 386,933) | ($ 32,950) | $ 8,815 | |

TRK CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

| Creditor | Explanation | Balance as of December 31, 2025 | Contract Period | Interest Rate | Collateral |
|---|---|---|---|---|---|
| Sunny Bank Ltd. | Secured borrowings | $ 3,345 | 2021.02~2026.02 | 2.00%～2.94% | Restricted cash in banks |
| Sunny Bank Ltd. | " | 33,908 | 2021.09~2028.09 | 2.25%～5.19% | Inventory |
| Sunny Bank Ltd. | " | 30,192 | 2025.04~2032.04 | 3.44% | Inventory |
| First Commercial Bank | " | 8,924 | 2022.05~2027.05 | 2.25%～2.88% | Restricted cash in banks |
| SinoPac Leasing Corporation | " | 2,310 | 2023.02~2026.02 | 2.75% | " |
| CDC Finance & Leasing Corporation | " | 4,147 | 2023.03~2026.03 | 2.74% | " |
| Bank of Panhsin | " | 4,610 | 2023.08~2023.08 | 3.07%～3.19% | Restricted cash in banks |
| ORIX Auto Leasing Corporation | " | 25,768 | 2024.04~2027.04 | 2.96% | Guarantee deposits paid |
| Shinshin Credit Corporation | " | 27,816 | 2024.06~2027.06 | 2.79% | " |
| Shinshin Credit Corporation | " | 58,143 | 2025.11~2028.11 | 2.86% | " |
| HE JING CO., LTD. | " | 35,664 | 2024.12~2027.12 | 2.79% | " |
| | | 234,827 | | | |
| Less: Current portion | | ( 115,637) | | | |
| | | $ 119,190 | | | |

Note：Interest rate range is 2.00%～5.19%.

TRK CORPORATION
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

| Item | Amount | | Note |
|---|---|---|---|
| Sales revenue | $ | 140,638 | Referring to the revenue from operating mall and dealing counter in the department store |
| Entertainment revenue | | 503,450 | Referring to the revenue from operating baseball and softball field, go-kart amusement park, formosa stone spa and family amusement park |
| Tenant-counter rental revenue | | 357,654 | Referring to the revenue from leasing mall and tenant-counter in the department store |
| Other operating revenue | | 178,723 | Revenue from each item has not reach 10% of total revenue |
| | $ | 1,180,465 | |

# TRK CORPORATION
## STATEMENT OF OPERATING COSTS
## FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

| Item | Amount | |
|---|---|---|
| Inventory at beginning of the year | $ | 560,822 |
| Add: Inventory purchased | | 86,941 |
| Less: Inventory at end of the year | ( | 568,991) |
| | | 78,772 |
| Tenant-counter cost and entertainment cost | | 628,170 |
| Other operating costs | | 19,039 |
| Operating costs | $ | 725,981 |

TRK CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

| Item | Sales and marketing expenses | General and administrative expenses | Note |
|---|---|---|---|
| Wages and salaries | $ 27,271 | $ 71,458 | |
| Directors' remuneration | - | 11,265 | |
| Depreciation charge | 153,946 | 8,493 | |
| Entertainment expense | 290 | 12,223 | |
| Repairs and maintenance expense | 36,646 | 417 | |
| Advertising costs | 14,262 | 2,280 | |
| Other expenses | 75,722 | 57,166 | Note |
| | $ 308,137 | $ 163,302 | |

Note: The balance of each account did not exceed 5% of the total amount of this account.

TRK CORPORATION
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

| By function / By nature | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Classified as operating costs | Classified as operating expenses | Total | Classified as operating costs | Classified as operating expenses | Total |
| Employee benefit expense | | | | | | |
| Wages and salaries | $ 189,406 | $ 98,729 | $ 288,135 | $ 193,958 | $ 74,125 | $ 268,083 |
| Labor and health insurance fees | 23,667 | 9,134 | 32,801 | 24,330 | 8,526 | 32,856 |
| Pension costs | 9,850 | 4,385 | 14,235 | 10,672 | 4,143 | 14,815 |
| Directors' remuneration | - | 11,265 | 11,265 | - | 9,344 | 9,344 |
| Other employee benefit expenses | 9,957 | 6,515 | 16,472 | 9,035 | 5,622 | 14,657 |
| Depreciation | 237,166 | 162,439 | 399,605 | 209,496 | 180,947 | 390,443 |
| Amortization | 222 | 432 | 654 | 2,048 | 791 | 2,839 |

Note1:As of December 31, 2025, and 2024, the Company had 530 and 624 employees (including part-timers), including 4 and 7 directors, respectively.

Note2:(1) The average employee benefit expenses for the years ended December, 31, 2025 and 2024 were $578 and $536, respectively.

(2) The average salaries for the years ended December 31, 2025 and 2024 were $474 and $434, respectively.

(3) The difference of average salaries for 2025 compared with 2024 was 8.97%.

# TRK CORPORATION

## STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

## FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Note3:The Company’s compensation policies (including directors, managers and employees) are set out below:

The employees’ compensation of the Company is determined by the employees and employers. Also, salary determination and adjustment and bonus distribution are differentiated according to the operating condition of the Company, price level, career contribution and ability and performance of the employee. The employees’ pay level is reviewed periodically each year to ascertain it is competitive in the labor market.

According to the Articles of Incorporation of the Company, the Board of Directors is authorized to determine the remuneration of all Directors based on the degree of participation in the Company’s operation and contribution, as well as comparing with industry, and is submitted to the Board of Directors for resolution after being reviewed by the remuneration committee. Managers’ remuneration is determined based on personal performance and contribution to the Company’s overall operation, as well as comparing with industry, and is submitted to the Board of Directors for resolution after being reviewed by the remuneration committee.

According to the Articles of Incorporation of the Company, if the Company generates profit for the year, shall be distributed as employees’ compensation and directors’ remuneration. The percentage shall be 0.5~1% for employees’ compensation and no more than 2% for directors’ remuneration. If a company has to the shareholders’ meeting.

Note4: The Company has no supervisors’ remuneration as it had set up an audit committee.