Stock Code：1459

LAN FA TEXTILE CO., LTD.

Parent Company Only Financial Statements

For the Years Ended December 31, 2025 and 2024

And Independent Auditors' Report

Address：5F.-5, No. 73, Sec. 1, Huanhe N. Rd., Taipei City

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Audit Report of Accountant

LAN FA TEXTILE CO., LTD.:

Audit Opinion

The entity's balance sheets of LAN FA TEXTILE CO., LTD. of December 31, 2025 and 2024, and the entity consolidated income statement, statement of changes in entity equity, statement of entity cash flows and notes to entity's financial statements (including the summary of major accounting policies) from January 1 to December 31, 2025 and 2024, have been checked by the accountant.

In the opinion of the accountant, the above entity's financial statements have been prepared in all major respects in accordance with the financial report compilation standards for securities issuers, which are sufficient to express the entity's financial position of LAN FA TEXTILE CO., LTD. on December 31, 2025 and 2024, and entity's financial performance and entity's cash flows from January 1 to December 31, 2025 and 2024.

Basis of Audit Opinion

The accountant had carried out the inspection in accordance with the rules for checking the financial statements and the generally accepted auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility for the accountant's examination of the entity's financial statements. In accordance with the professional ethics of accountants, the personnel who are subject to the independence standards of the accounting firm have maintained their independence from LAN FA TEXTILE CO., LTD. and performed other responsibilities of the standards. The accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

Key Audit Items

The key audit items mean the most important items for the inspection of the entity's financial statements of LAN FA TEXTILE CO., LTD. in 2025 according to the professional judgment of the accountant. These items have been responded to in the process of examining the entity's financial statements as a whole and forming audit opinions, and the accountant does not comment on these items separately.

The key items for checking the entity's financial statements of LAN FA TEXTILE CO., LTD. in 2025 are described as follows:

<u>Investment Using the Equity Method</u>

Hangzhou Lan fa Textile Co., Ltd. is an important subsidiary of Lan Fa Textile Fiber Co., Ltd. From January 1 to December 31, 2025 and 2024, the share of profit or loss of subsidiaries recognized indirectly using the equity method amounted to (88,461) thousand yuan. Since the amount of the aforementioned item is significant relative to the overall financial statements, when the financial statements of the investee company do not properly reflect the operating results for the year or fail to correctly calculate the investment gains and losses, it will result in errors in the amount of investment using the equity method and the share of comprehensive profit or loss it enjoys, leading to a significant impact on operating results. Therefore, it is considered a key audit matter.

The procedures performed by this accountant include obtaining the annual financial statements of subsidiaries provided by management, verifying whether the calculation of shareholding percentages is correct, and recalculating the amounts of investment gains or losses, comprehensive income, and equity accounts, as well as reviewing whether they have been properly recorded, to verify the accuracy of the investment balances using the equity method and the proportion of comprehensive income attributable thereto.

The accounting treatment of investments using the equity method has been included in the summary explanation of significant accounting policies in the individual financial statements for the year 2025. Please refer to Notes 4, 13, and Schedule 5 for disclosure information.

Responsibilities of Management and Governance Unit to entity's Financial Statements

The responsibility of management is to prepare properly expressed entity's financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls relating to the preparation of the entity's financial statements to ensure that the entity's financial statements do not contain material misrepresentations caused by fraud or errors.

In preparing the entity's financial statements, the responsibility of management also includes the assessment of the ability of LAN FA TEXTILE CO., LTD. to continue to operate, the disclosure of related items, and the adoption of the accounting basis for continued operation, unless the management intends to liquidate the LAN FA TEXTILE CO., LTD. or cease business, or there is no practical alternative other than liquidation or closure.

The governance unit of LAN FA TEXTILE CO., LTD. (including the audit committee) is responsible for supervising the financial reporting process.

Responsibility of Accountant to Check Entity's Financial Statements

The purpose of the accountant to check the entity's financial statements is to obtain reasonable assurance as to whether there are material misrepresentations caused by fraud or error in the entity's financial statements as a whole, and to issue an audit report. Reasonable certainty is a high degree of certainty, but audits carried out in accordance with generally accepted audit standards do not guarantee that material misrepresentations in the entity's financial statements will be identified. False expression may be caused by fraud or error. It is considered significant if the individual amounts or remittances misrepresented can be reasonably expected to affect the economic decisions made by the users of the entity's financial statements.

When the accountant checks in accordance with the audit standard. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the entity's financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.
2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of LAN FA TEXTILE CO., LTD.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, draw a conclusion as to whether there is significant uncertainty about the appropriateness of the management's adoption of the accounting basis of continuing operations and whether there is significant uncertainty about the events or circumstances that may give rise to significant doubts about the ability of the LAN FA TEXTILE CO., LTD. to continue to operate. If the accountant considers that there is material uncertainty in such events or circumstances, the accountant shall, in the audit report, remind users of the entity's financial statements to pay attention to the relevant disclosures of the entity's financial statements, or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the inspection report. However, future events or circumstances may cause the LAN FA TEXTILE CO., LTD. have no ability to continue to operate.
5. Assess the overall expression, structure and content of the entity's financial statements (including related notes), and whether there are related transactions and events expressed in the entity's financial statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent individuals within the LAN FA TEXTILE CO., LTD. to express the opinion on entity's financial statements. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming audit opinions of LAN FA TEXTILE CO., LTD.

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants of the Republic of China and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the items of communication with the governance unit, the accountant decides on the key items for checking the consolidated financial statements of LAN FA TEXTILE CO., LTD. in 2025. The accountant describes these items in the audit report, unless the law does not allow public disclosure of specific items, or in rare cases, the accountant decides not to communicate specific items in the audit report, because it can be reasonably expected that the negative impact of this communication is greater than the promotion of the public interest.

Deloitte & Touche.

Accountant YOU,MENG-GUEI	Accountant CHIH, JUI-CHUAN
Financial Supervisory Commission Audit No. Jin Guan Zheng Shen Tzu No. 1130357402	Financial Supervisory Commission Audit No. Jin Guan Zheng Shen Tzu No. 1060023872

February 24, 2026

LAN FA TEXTILE CO., LTD.

BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Code	Asset	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Note 4 and 6)	$ 622,894	17	$ 90,472	2
1110	Financial assets at FVTPL – current (Note 4 and 7)	592,600	16	994,385	27
1150	Notes Receivable - Non-related Parties (Note 4, 10 and 22)	-	-	3,617	-
1170	Accounts Receivable - Non-related Parties (Note 4, 10 and 22)	-	-	22,880	1
1180	Accounts Receivable - Related Parties (Note 4, 22 and 29)	-	-	3,989	-
1200	Other Receivables (Note 4 and 10))	60,373	2	1,438	-
1210	Other Receivables - Related Parties (Note 4 and 29)	-	-	49,476	1
1220	Income Tax Assets of Current Period (Note 4 and 24)	1,281	-	1,915	-
130X	Inventory (Note 4 and 11)	-	-	58,275	2
1421	Prepayment	650	-	3,924	-
1470	Other Current Assets	2	-	2	-
11XX	Total Current Assets	1,277,800	35	1,230,373	33
	Non-current Assets				
1517	Financial assets at FVTOCI - noncurrent (Note 4 and 8)	567,000	16	500,223	14
1535	Financial Assets Measured at Amortized Cost- noncurrent (Note 4 and 9)	79,830	2	83,860	2
1550	Investment Using Equity Method (Note 4 and 13)	664,160	18	777,129	21
1600	Immovable Property, Plant and Equipment (Note 4,14 and 30)	61,300	2	945,165	26
1755	Right-of-use Assets (Note 4 and 15)	814	-	1,205	-
1760	Net Investment Property (Note 4,16 and 30)	962,316	26	96,316	3
1840	Deferred Income Tax Assets (Note 4 and 24)	209	-	489	-
1920	Refundable Deposits	36,006	1	36,039	1
1975	Net defined benefit asset（Note 4 and 20）	8,222	-	5,430	-
1990	Other Non-current Assets	1,400	-	1,400	-
15XX	Total Non-current Assets	2,381,257	65	2,447,256	67
1XXX	Total Assets	$ 3,659,057	100	$ 3,677,629	100

Code	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current Liabilities				
2130	Contract Liabilities (Note 22)	$ -	-	$ 3,883	-
2150	Notes Payable (Note 18)	60	-	1,494	-
2170	Accounts Payable (Note 18)	-	-	9,736	-
2219	Other Accounts Payable (Note 19)	49,757	1	73,228	2
2230	Current tax Liabilities (Note 4 and 24)	3,025	-	-	-
2280	Lease Liabilities (Note 4 and 15)	397	-	390	-
2399	Other Current Liabilities	212	-	198	-
21XX	Total Current Liabilities	53,451	1	88,929	2
	Non-current Liabilities				
2540	Long-term Loans (Note 17 and 30)	-	-	400,000	11
2570	Deferred Income Tax Liabilities (Note 4 and 24)	17,636	1	18,852	1
2580	Lease Liabilities (Note 4 and 15)	439	-	836	-
2650	Investment credit balance using equity method (Note 4 and 13)	17,345	-	16,731	-
2670	Other Non-current Liabilities	55,900	2	9	-
25XX	Total Non-current Liabilities	91,320	3	436,428	12
2XXX	Total Liabilities	144,771	4	525,357	14
	Equity (Note 21)				
3110	Ordinary Share Capital	3,586,289	98	3,586,289	97
3200	Capital Surplus	297,733	8	297,733	8
	Retained earnings (Accumulated Losses)				
3320	Special Surplus Reserve	258,887	7	258,887	7
3350	Losses to Be Made up	66,121	2	(197,203)	(5)
3300	Total Retained earnings (Accumulated Losses)	325,008	9	61,684	2
3400	Other equity	(166,099)	(5)	(264,789)	(7)
3500	Treasury Stocks	(528,645)	(14)	(528,645)	(14)
3XXX	Total equity	3,514,286	96	3,152,272	86
	Total Liabilities and Equity	$ 3,659,057	100	$ 3,677,629	100

The attached notes form part of the entity's financial statements.

(Please refer to the audit report of Deloitte & Touche. February 24, 2026)

Chairman: YEH, CHING-TSE　　President: WANG, FONG-YUEH　　In-charge Accountant: LEE, HSUN-YI

LAN FA TEXTILE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

		Year ended December 31			
		2025		2024(Restated)	
Code		Amount	%	Amount	%
4100	Operating Revenues (Note 4 and 22)	$ 202,324	100	$ -	-
5110	Operating Costs (Note 11 and 23)	62,820	31	-	-
5900	Operating Gross Losses	139,504	69	-	-
	Operating Expenses (Note 23)				
6100	Selling Expenses	2,764	1	-	-
6200	Administrative Expenses	15,600	8	-	-
6000	Total Operating Expenses	18,364	9	-	-
6900	Net Operating Losses	121,140	60	-	-
	Non-operating Revenues and Expenses (Note 23)				
7100	Interest Revenues (Note 29)	4,489	2	-	-
7010	Other Revenues	90,025	44	-	-
7590	Other Benefits and Losses	274,455	136	-	-
7050	Financial Costs	(3,419)	(2)	-	-
7070	Share of Profit and Loss of Subsidiaries Using Equity Method (Note 13)	(13,047)	(6)	-	-
7000	Total Non-operating Revenues and Expenses	352,503	174	-	-
7900	Net Pre-tax Profit of continuing operations	473,643	234	-	-
7950	Income Tax Expenses (Note 4 and 24)	(2,112)	(1)	-	-
8000	Net profit of continuing operations for this year	$ 471,531	233	$ -	-
8100	Discontinued operations (loss) profit (Note 12)	(215,878)	(107)	214,717	-
8200	Net Profit for Current Year	255,653	126	214,717	-

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LAN FA TEXTILE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31			
		2025		2024(Restated)	
Code		Amount	%	Amount	%
	Other Consolidated Profits and Losses				
8310	Items that are not reclassified to profit or loss				
8311	Actuarial gains (losses) on defined benefit plans (Note 20)	2,591	1	6,059	-
8316	Unrealized measurement gains or losses on equity instruments measured at FVTOCI	125,911	62	(11,885)	-
8330	Share of Other Consolidated Profit and Loss of Subsidiaries Using Equity Method	(18,632)	(9)	85,198	-
8349	Income tax related to non-reclassified items (Note 24)	(518)	-	(1,212)	-
8360	Items that may be reclassified to profit or loss in the future				
8361	Financial statements translation differences of foreign operations operating	(2,593)	(1)	2,341	-
8380	Share of Other Consolidated Profit and Loss of Subsidiaries Using Equity Method	(916)	-	5,820	-
8399	Income tax related to that will be reclassified items (Note 24)	518	-	(468)	-
8300	Other consolidated profit and loss of current year (Net amount after tax)	106,361	53	85,853	-
8500	Total consolidated profit and loss of current year	$ 362,014	179	$ 300,570	-

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LAN FA TEXTILE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31			
		2025		2024(Restated)	
Code		Amount	%	Amount	%
	Profit per share (Note 25)				
	From continuing operations and discontinued operations				
9750	Basic	$ 0.81		$ 0.68	
9850	Diluted	$ 0.81		$ 0.68	
	From continuing operations				
9710	Basic	$ 1.49		$ -	
9810	Diluted	$ 1.49		$ -	

The attached notes form part of the entity's financial statements.

(Please refer to the audit report of Deloitte & Touche. February 24, 2026)

Chairman: YEH, CHING-TSE President: WANG, FONG-YUEH In-charge Accountant: LEE, HSUN-YI

LAN FA TEXTILE CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan dollars)

January 1 to December 31, 2025 and 2024

		Capital			Retained Earnings (Accumulated Losses)		Other Equity Interest			
Code		Number of Shares (1,000 shares)	Common Equity	Capital Surplus	Special Reserve	Unappropriated Earnings (Loss to be made up)	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at FVTOCI	Treasury Stock	Total Interests
A1	Balance on January 1, 2024	358,629	$ 3,586,289	$ 241,987	$ 258,887	($ 357,276)	($ 73,934)	($ 334,951)	($ 528,645)	$ 2,792,357
D1	Net Profit of 2024	-	-	-	-	214,717	-	-	-	214,717
D3	Other Consolidated Profit and Loss after Tax of 2024	-	-	-	-	4,847	7,693	73,313	-	85,853
D5	Total comprehensive profit and loss of 2024	-	-	-	-	219,564	7,693	73,313	-	300,570
M7	Changes in ownership interests in subsidiaries (Note21)	-	-	55,746	-	-	3,599	-	-	59,345
Q1	Disposal of equity instruments measured at FVTOCI (Note8& 13)	-	-	-	-	(59,491)	-	59,491	-	-
Z1	Balance on December 31, 2024	358,629	3,586,289	297,733	258,887	(197,203)	(62,642)	(202,147)	(528,645)	3,152,272
D1	Net Profit of 2025	-	-	-	-	255,653	-	-	-	255,653
D3	Other Consolidated Profit and Loss after Tax of 2025	-	-	-	-	2,073	(2,991)	107,279	-	106,361
D5	Total comprehensive profit and loss of 2025	-	-	-	-	257,726	(2,991)	107,279	-	362,014
Q1	Disposal of equity instruments measured at FVTOCI (Note8& 13)	-	-	-	-	5,598	-	(5,598)	-	-
Z1	Balance on December 31, 2025	358,629	$ 3,586,289	$ 297,733	$ 258,887	$ 66,121	($ 65,633)	($ 100,466)	($ 528,645)	$ 3,514,286

The attached notes form part of the entity's financial statements.

(Please refer to the audit report of Deloitte & Touche. February 24, 2026)

Chairman: YEH, CHING-TSE President: WANG, FONG-YUEH In-charge Accountant: LEE, HSUN-YI

LAN FA TEXTILE CO., LTD.

STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

Code		Year ended December 31 2025	2024(Restated)
	Cash Flow of Operating Activities		
A00010	Net Pre-tax Profit of continuing operations	$ 473,643	$ -
A00020	Pre-tax net (loss) profit of discontinued operations	(215,587)	219,445
A20010	Income Expense Item		
A20100	Depreciation Expense	18,776	21,241
A20300	Expected Credit Loss Reversal Gain	(2,970)	-
A20400	Net gain on financial assets and liabilities measured at FVTPL	(111,887)	(335,649)
A20900	Financial Costs	6,423	14,641
A21200	Interest Revenues	(5,705)	(14,037)
A21300	Dividend Revenues	(90,979)	(47,632)
A22400	Share of Profit and Loss of Subsidiaries Using Equity Method	43,350	100,962
A22500	Dealing with gains of immovable property, plant and equipment	(2,688)	(1,526)
A23000	Disposal group interests held for sale	(9,398)	-
A24100	Unrealized loss (gains) of foreign currency	3,393	(7,942)
A30000	Net changes in operating assets and liabilities		
A31130	Notes Receivable (Include Related Party)	3,856	9,835
A31150	Accounts Receivable (Include Related Party)	29,600	46,714
A31180	Other Accounts Receivable	353	(118)
A31200	Inventory	57,980	47,172
A31230	Prepayment	3,274	800
A31240	Other Current Assets	-	1
A31990	Net defined benefit assets	(201)	(96)
A32125	Contract Liabilities	(3,883)	(1,195)
A32130	Notes Payable	(1,434)	(2,870)
A32150	Account Payable	(9,736)	(29,385)
A32180	Other Accounts Payable	(9,135)	(3,509)
A32230	Other Current Liabilities	14	(50)
A33000	Cash from Operating	177,059	16,802
A33500	Refunded (paid) income tax	320	(1,234)
AAAA	Net cash inflow from operating activities	177,379	15,568

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LAN FA TEXTILE CO., LTD.

STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

Code		Year ended December 31 2025	2024(Restated)
	Cash flow from investment activities		
B00100	Acquisition of FVTPL financial assets	($ 819,833)	($ 2,113,644)
B00200	Disposal of FVTPL financial assets	1,274,816	1,812,774
B00010	Acquisition of FVTOCI financial assets	(22,701)	(99,539)
B00020	Disposal of FVTOCI financial assets	67,745	125,933
B02600	Disposal of assets held for sale group price	13,430	-
B02700	Purchase immovable property, plant and equipment	(47)	(1,294)
B02800	Disposal of immovable property, plant and equipment	1,886	-
B03800	Decrease in refundable deposits	33	-
B04100	Other accounts receivable - Related party (increased) decreased	49,172	(1,369)
B05400	Acquisition of investment property	(4,809)	-
B07500	Interest charged	6,550	16,224
B07600	Other dividends charged	90,429	47,432
B09900	Receive dividends from subsidiaries	49,493	50,008
BBBB	Net cash flows from (used in) investing activities	706,164	(163,475)
	Cash flow from fund-raising activities		
C00100	Short-term Loans added	904,240	2,679,884
C00200	Short-term Loans decreased	(904,240)	(2,692,157)
C00500	Increase in short-term notes payable	550,000	1,740,000
C00600	Decrease in short-term notes payable	(550,000)	(1,740,000)
C01600	Borrow the long-term loan	50,000	600,000
C01700	Repay the long-term loan	(450,000)	(749,591)
C03100	Increase (Decrease) in deposits received	55,891	(6)
C04020	Principal repayment of lease liabilities	(390)	(383)
C05600	Interests paid	(6,669)	(14,736)
CCCC	Net cash flows from (used in) financing activities	(351,168)	(176,989)
DDDD	The impact of exchange rate changes on cash and cash equivalents	47	982
EEEE	Net increase (decrease) of cash and cash equivalents	532,422	(323,914)
E00100	Cash and cash equivalents, beginning of the year	90,472	414,386
E00200	Cash and cash equivalents, end of the year	$ 622,894	$ 90,472

The attached notes form part of the entity's financial statements.

(Please refer to the audit report of Deloitte & Touche. February 24, 2026)

Chairman: YEH, CHING-TSE President: WANG, FONG-YUEH In-charge Accountant: LEE, HSUN-YI

LAN FA TEXTILE CO., LTD.

Notes to Individual Financial Report

January 1 to December 31, 2025 and 2024

(Unless otherwise stated, the amount shall be in NT$ thousands)

I. Company History

LAN FA TEXTILE CO., LTD. (hereinafter referred to as” the company”) was established in December 1972, originally engaged in the production and sale of knitted fabrics, and has increased the production and sale business of flexible polyester textured yarn since 1985. At present, the production and sale of polyester textured yarn is the main source of operating revenue. The company's board of directors resolved in February 2025 to cease production at the Zhubei factory, and in March 2025, resolved to establish a real estate leasing department. Subsequently, in March 2025, the company leased out the Zhubei factory, transforming into a business primarily focused on real estate leasing.

The company's shares have been listed and traded on the Taiwan Stock Exchange Corporation since October 26, 1994.

The individual financial report is expressed in New Taiwan Dollar, the functional currency of the company.

II. Date and Procedure for the Approval of Financial Reports

The individual financial report was approved by the board of directors on February 24, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

1. a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.
2. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026 .

Newly issued/amended/revised standards and explanations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature - dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2026

As of the date of approval and issuance of this individual financial report, the Company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

3. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

Newly issued/amended/revised standards and explanations	Effective date on which IASB issued（Note1）
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 IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

<u>IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments</u>

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash

flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary Statement of Major Accounting Policies

1. Compliance Statement

This individual financial report is prepared in accordance with the financial report preparation standards of securities issuers.

2. Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities based on the present value of determined benefit obligations less the fair value of plan assets, this individual financial report is prepared on a historical cost basis.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of the relevant input values:

(1) Level 1 input value: refers to the quoted price in the active market for the same assets or liabilities available on the measurement date (unadjusted).

(2) Level 2 input value: refers to the observable input value of assets or liabilities directly (i.e. price) or indirectly (i.e. from price derivation) in addition to the quotation at level 1.

(3) Level 3 input value: refers to the unobservable input value of assets or liabilities.

To align with the presentation of discontinued operations in the comprehensive income statements for 2025 and 2024, the Company has reclassified the profit and loss items of discontinued operations for the period from January 1 to December 31, 2024, so that the information for the two periods' comprehensive income is more relevant. Please refer to Note 12.

When preparing the individual financial report, the company adopts the equity method to deal with the investment subsidiary. In order to make the current year's profit and loss, other consolidated profit and loss and equity in the individual financial report the same as those vested in the owner of the Company in the consolidated financial statements of the Company. Some differences in accounting treatment on an individual basis and on a consolidated basis are adjustments to "investment using equity method", "profit and loss share of subsidiaries using equity method", "other comprehensive profit and loss share of subsidiaries using equity method" and related equity items.

3. Standards for distinguishing between current and non-current assets and liabilities

Current assets include:

(1) Assets held primarily for transaction purposes

(2) Assets expected to be realized within 12 months after the balance sheet date.

(3) Cash and cash equivalents (excluding those restricted for the exchange or discharge of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

(1) Liabilities held primarily for transaction purposes.

(2) Liabilities due within 12 months after the balance sheet date, and

(3) Liabilities that cannot be unconditionally deferred to at least 12 months after the balance sheet date.

Those that are not the above-mentioned current assets or liabilities shall be classified as non-current assets or non-current liabilities.

4. Foreign Currency

When preparing the individual financial report, if the transaction is in a currency other than the functional currency of the company (foreign currency), it shall be converted into a functional currency record according to the exchange rate on the trading day.

Foreign currency monetary items are converted at the closing exchange rate on each balance sheet date.

Foreign currency non-monetary items measured at historical costs are converted at the exchange rate on the trading day and will not be re-converted.

When preparing individual financial reports, the assets and liabilities of the company's foreign subsidiaries are converted into New Taiwan dollars at the exchange rate on each balance sheet date. The items of income and expense are converted at the current average exchange rate, and the resulting exchange differences are shown in other consolidated profits and losses.

5. Inventory

Inventory includes raw materials, finished goods and work-in-process. Inventory is measured by the lower of cost and net realized value, and the comparison between cost and net realized value is based on individual items except for the same category of inventory.

6. Invest the subsidiary

The company adopts the equity method to deal with the investment in subsidiaries.

Subsidiary refers to the entity under the control of the company.

Under the equity method, the investment is originally recognized at cost, and the future book amount increases or decreases with the subsidiary profit and loss and other comprehensive profit and loss shares, and profit distribution enjoyed by the company. In addition, changes in the company's other rights and interests of subsidiaries are recognized according to the proportion of shareholdings.

When the company's change in the ownership interest of the subsidiary does not lead to the loss of control, it shall be dealt with as an equity matter. The difference between the carrying amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

When the company's share of the loss to a subsidiary is equal to or exceeds its interest in the subsidiary, it shall continue to recognize the loss in proportion to its shareholding.

When assessing the impairment, the company considers the cash-generating unit as a whole in the financial report and compares its recoverable amount with the carrying amount. Subsequently, if the recoverable amount of the asset increases, the reversal of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset after amortization if the impairment loss is not recognized.

Unrealized gains and losses from downstream transactions between the Company and its subsidiaries are eliminated from individual financial statements. Gains and losses arising from upstream and side-stream transactions between the Company and its subsidiaries are recognized in the individual financial statements only to the extent that they are unrelated to the Company's interest in the subsidiaries.

7. Immovable Property, Plant and Equipment

Immovable property, plant and equipment are recognized as measured by cost, and subsequently measured by the amount of cost less accumulated depreciation and accumulated impairment loss.

Except for self-owned land, depreciation is provided on a straight-line basis, that is, the balance after the cost of the asset is equally apportioned less salvage value within the expected useful life of the asset, the estimated useful life, salvage value and depreciation methods are reviewed at least on the end date of each year. The impact of changes in accounting estimates is dealt with in a deferred manner.

When immovable property, plant and equipment are excluded, the related costs, accumulated depreciation and accumulated impairment are deducted from the account, and the resulting profit or loss is recognized in the current year's profit or loss according to its nature.

8. Investment Property

Investment property is immovable property held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held that has not yet been decided on its future use.

The investment property is originally measured by cost (including transaction cost), and subsequently by the amount of cost less accumulated depreciation and accumulated impairment loss.

Investment property is depreciated on a straight-line basis.

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

9. Impairment of property, plant and equipment, right-of-use assets and investment property

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and investment property may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to the smallest group of cash-generating units on a reasonably consistent basis. The recoverable amount is the higher of fair value less costs to sell and its value in use.

Where the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost related asset is increased to the revised recoverable amount, but the increased carrying amount shall not exceed the carrying amount that would have been determined if the asset, cash-generating unit or contract cost related asset had not been recognized for an impairment loss in prior years (net of amortization or depreciation). The reversal of impairment losses is recognized in profit or loss.

10. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amounts are expected to be recovered primarily through a sale transaction rather than through continued use. Non-current assets (or disposal groups) that meet this classification must be available for immediate sale in their present condition, and the sale must be highly probable. Classification as highly probable to be sold applies when the appropriate level of management is committed to a plan to sell the asset, and the sale transaction is expected to be completed within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets is discontinued.

11. Financial Instruments

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

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

(1)Financial Assets

The customary transactions of financial assets are recognized and excluded by accounting on the trading day.

1)Measure category

The types of financial assets held by the Company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, investments in debt instruments at fair value through other consolidated income and equity instruments at fair value through other consolidated profit or loss.

A. Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss are financial assets measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are compulsory equity instruments not designated by the Company to be measured at fair value through other consolidated profit or loss.

A financial asset measured at fair value through profit or loss is measured at fair value, and the benefit or loss arising from its remeasurement (excluding any dividend or interest generated by the financial asset) is recognized as profit or loss. For the method of determining fair value, please refer to Note 28.

B. Financial Assets Measured at Amortized Cost

If the company's investment financial assets meet the following two conditions at the same time, it will be classified as Financial Assets Measured at Amortized Cost：

a. Held under a business model for the purpose of holding financial assets to collect contractual cash flows; and

b. The terms of the contract generate cash flows on a specific date, which are solely interest on the payment of principal and the amount of principal outstanding.

Financial Assets Measured at Amortized Cost(Including cash and approximately equivalent cash, receivables at amortized cost and foreign corporate bonds) after original recognition, it is measured by the total carrying amount determined by the effective interest method less the amortized cost of any impairment loss, any gain or loss on foreign currency exchange is recognized as profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset, except for the following two cases:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.

b. For financial assets that are not credit-impaired upon purchase or origination but subsequently become credit-impaired, interest income should be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the reporting period next following the credit-impairment.

Cash equivalents include commercial bills that are highly liquid, convertible into a fixed amount of cash at any time and have a low risk of value change within three months from the date of acquisition, and are used to meet short-term cash commitments.

C. Investment in debt instruments at fair value through other consolidated gains and losses

At the time of original recognition, the Company may make an irrevocable option to designate the investment in equity instruments that are not held for trading and that are not recognized by the acquirer for business combination as contingent consideration to be measured at fair value through other comprehensive gains and losses.

Equity instrument investments measured at fair value through other comprehensive profit or loss are measured at fair value, and subsequent changes in fair value are reported in other comprehensive profit or loss and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends invested in equity instruments measured at fair value through other comprehensive profit or loss are recognized in profit or loss when the Company's right to receive payment is established, unless the dividend clearly represents the recovery of part of the investment cost.

2) Impairment of Financial Assets

At each balance sheet date, the company assesses the impairment losses on Financial Assets Measured at Amortized Cost (including receivables) and investments in debt instruments measured at fair value through other consolidated profit or loss on the basis of expected credit losses.

Accounts receivables are recognized as allowance losses according to the expected credit losses during the period of existence. Other financial assets first assess whether the credit risk has increased significantly since the original recognition, and if it has not increased significantly, the allowance loss will be recognized as the expected credit loss of 12 months, and if it has increased significantly, the allowance loss will be recognized as the expected credit loss during the period of existence.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the possible default of the financial instrument within 12 months after the reporting date, the expected credit loss during the period of existence represents the expected credit loss of all possible default events of the financial instrument during the expected period.

For the purpose of internal credit risk management, the Company determines that the following situations represent a default of a financial asset without considering the collateral held: A. There is internal or external information indicating that the debtor is no longer able to repay the debt. B. More than 180 days past due, unless there is reasonable and substantiated information indicating that a later default basis is more appropriate.

Impairment losses on all financial assets are reduced by allowance accounts, but allowance losses on investments in debt instruments measured at fair value through other consolidated gains and losses are recognized in other consolidated income and do not reduce their carrying amounts.

3) Exclusion of Financial Assets

The company excludes financial assets only when contractual rights from the cash flow of financial assets expire, or when financial assets have been transferred and almost all risks and rewards of ownership of such assets have been transferred to other enterprises.

When Financial Assets Measured at Amortized Cost is excluded as a whole, the difference between its carrying amount and the consideration received is recognized as profit or loss. When investments in debt instruments measured at fair value through other comprehensive income are excluded as a whole, the difference between the carrying amount and the total sum of any accumulated gain or loss recognized in other comprehensive income or loss is recognized in profit or loss. When investment in equity instruments measured at fair value through other comprehensive profit or loss is excluded as a whole, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

(2) Financial Liabilities

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

When a financial liability is derecognized, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

12. Revenue Recognition

After identifying the performance obligations in the client contract, the company apportion the transaction price among the performance obligations and recognize the income when the performance obligations are met.

<u>Revenue from Commodity Sales</u>

The income from commodity sales mainly comes from the sales of polyester processed silk. At the time of delivery of the goods, the customer has the right to set the price and use of the goods and has the primary responsibility for resale, and bears the risk of obsolescence of the goods. The company recognizes the income and accounts receivable at that time.

<u>Rental Income</u>

When the lease terms transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments, less any lease incentives, are recognized as income on a straight-line basis over the relevant lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

When a lease contains both land and building elements, the Company assesses the classification of each element as a finance lease or an operating lease based on whether substantially all the risks and rewards incidental to the ownership of each element have been transferred to the lessee. Lease payments are allocated between the land and building elements in proportion to the relative fair values of the leasehold interests in the land and buildings at the inception of the lease. If lease payments can be reliably allocated to each of these two elements, each element is accounted for in accordance with the appropriate lease classification. If lease payments cannot be reliably allocated to the two elements, the entire lease is classified as a finance lease; however, if both elements clearly meet the criteria for an operating lease, the entire lease is classified as an operating lease.

13. Lease

The company evaluates whether the contract belongs to (or includes) the lease on the date of establishment of the contract.

The company as lessee

Except for lease payments for low-value target asset leases and short-term leases with applicable exemptions, which are recognized as expenses during the lease term on a straight-line basis, other leases are recognized as right-to-use assets and lease liabilities at the lease commencement date.

The right-to-use asset is originally measured at cost (including the original measurement amount of the lease liability), followed by the cost less accumulated depreciation and accumulated impairment losses, and adjusts the re-measurement of the lease liability. The right-to-use assets are separately expressed in the individual balance sheet.

The straight-line basis of the right-to-use asset is depreciated earlier from the start of the lease to the expiration of the useful life or the expiration of the lease period.

The lease liability is originally measured by the present value of the lease payment (including fixed payment and substantial fixed payment). If the implied interest rate of the lease is easily determined, the lease payment shall be discounted at that rate. If the interest rate is not easy to determine, use the lessee to increase the borrowing rate.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned over the lease period. If a change in the lease period results in a change in the future leases payment, the company measures the lease liability and adjusts the use right asset relatively, but if the carrying amount of the use right asset has been reduced to zero, the remaining re-measure amount is recognized in profit or loss. Lease liabilities are expressed separately in the individual balance sheet.

14. Employee Benefit

(1) Short-term Employee Benefit

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

(2) Post-retirement Benefit

To determine that the pension allocated to the retirement scheme is recognized as an expense during the period of service provided by the employee.

To determine the defined benefit cost of a benefit retirement plan (including service cost, net interest and r re-measure) is an actuary based on the projected unit benefit method. Service costs (including current service costs and net interest on net defined benefit liabilities are recognized as employee benefit expenses when incurred. Re-measures (including actuarial gains and losses and compensation for plan assets after deducting interest) are recognized in other consolidated profit or loss and included in other equity at the time of occurrence and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the shortfall (surplus) in contributions to defined benefit retirement plans. Net defined benefit assets may not exceed the present value of contributions refunded from the plan or of future reductions in contributions.

15. Income Tax

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

(1) Current Income Tax

The income tax payable in the current period is based on the income taxed in the current period. As some of the income and expense losses are taxable or deductible items for other periods or are not taxable or deductible under the relevant tax laws, taxable income is different from the pre-tax net profit reported in the consolidated income statement. The company's current income tax related liabilities are calculated at the statutory tax rate on the balance sheet date.

The addition of income tax to the undistributed surplus calculated in accordance with the provisions of the income tax law shall be recognized in the annual resolution of the shareholders' meeting.

The adjustment of income tax payable in previous years shall be included in the current income tax.

(2) Deferred Income Tax

Deferred income tax is calculated on the basis of the temporary difference between the carrying amount of assets and liabilities and the tax basis on which taxable income is calculated. Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when taxable income tax credits are likely to be used to deduct temporary differences.

Taxable temporary differences related to investment subsidiaries are recognized as deferred income tax liabilities, except where the company can control the point of reversal of temporary differences and such temporary differences are likely not to reverse in the foreseeable future. Temporary differences related to such investments can be deducted only if they are likely to have sufficient taxable income to achieve temporary differences and are recognized as deferred income tax assets to the extent that they are expected to be reversed in the foreseeable future.

The carrying amount of deferred income tax assets is re-examined on each balance sheet date, and the carrying amount is reduced for those who are no longer likely to have sufficient taxable places to recover all or part of the assets. Assets that were not previously recognized as deferred income tax assets will also be re-examined on each balance sheet date, and the carrying amount will be increased if the taxable assets will be able to recover all or part of the assets in the future.

Deferred income tax assets and liabilities are measured by the tax rate at which the expected liability is discharged, or the asset is realized.

(3) Current and Deferred Income Tax

Current and deferred income tax are recognized as profit or loss, but current and deferred income tax related to items recognized in other consolidated profit or loss are recognized as other consolidated profit or loss.

V. Main Sources of Uncertainty about Major Accounting Judgements, Estimates and Assumptions

When adopting accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those who are difficult to obtain relevant information from other sources. The actual results may differ from the estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation and interest rate fluctuations when making its critical accounting estimates on cash flow projections, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The accounting policies, estimates, and basic assumptions adopted by the company, after evaluation by the company's management, do not involve any significant uncertainty in accounting judgments, estimates, and assumptions.

VI. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on Hand and Revolving Funds	$ 55	$ 105
Bank Check and Current Deposit	32,839	62,451
Cash Equivalents		
Commercial Paper	90,000	27,916
Bank time deposits with an original maturity of within three months	500,000	-
	$ 622,894	$ 90,472

The market interest rate ranges on the balance sheet date for bank demand deposits, commercial paper, and bank time deposits with an original maturity of within three months are as follows:

	December 31, 2025	December 31, 2024
Bank Current Deposit	0.005%～0.705%	0.005%～0.95%
Commercial Paper	1.40%	4.80%
Bank time deposits with an original maturity of within three months	1.57%～1.60%	-

VII.Financial instruments measured at fair value through profit or loss

	December 31, 2025	December 31, 2024
Financial Assets-Current		
Mandatorily measured at FVTPL		
Non-derivative Financial Assets		
- Domestic Listed (OTC) Stocks	$ 592,600	$ 994,385

VIII. Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss

	December 31, 2025	December 31, 2024
Non-current		
Equity Instrument Investment	$ 567,000	$ 500,223

Equity Instrument Investment

	December 31, 2024	December 31, 2024
Non-current		
Domestic Investment		
Listed (OTC) Stocks	$ 524,470	$ 416,355
Unlisted (OTC) Stocks	42,530	83,868
Subtotal	$ 567,000	$ 500,223

The company invests for medium-and long-term strategic purposes and expects to make a profit through long-term investment. The management of the company considers that the short-term fair value fluctuations of these investments are inconsistent with the aforementioned long-term investment planning if they are included in profit or loss, and therefore choose to designate these investments to be measured at fair value through other comprehensive profits and losses.

In 2025 and2024, the company adjusted its investment positions to diversify risk and sold listed (OTC) stocks at fair values of NT$67,745 thousand and NT$125,933 thousand, respectively. The related unrealized losses of other equity instrument financial assets measured at fair value through other comprehensive income, amounting to NT$10,173 thousand and NT$83,294 thousand, respectively, were transferred to retained earnings.

For the unrealized evaluation profit and loss information of financial assets measured at fair value through other comprehensive profit and loss, please refer to Note 21 (5).

IX. Financial Assets Measured at Amortized Cost

	December 31, 2025	December 31, 2024
Non-current		
Foreign Investment		
Corporate Bonds	$ 79,830	$ 83,860

In September 2020, the company obtained the international bonds from Saudi Arabian government with the face value of USD 1,000 thousand and bonds from Apple with the face value of USD 1,000 thousand at a premium of NT$ 78,760 thousand. The maturity dates are October 2046 and February 2047 respectively. The coupon rates are 4.50% and 4.25% respectively, and the effective interest rates are 3.03% and 2.37% respectively.

The company only invests in debt instruments whose credit rating is above investment grade (inclusive) and the derogation assessment is of low credit risk, and the credit rating information is provided by independent rating agencies. The company continues to track external rating information to monitor changes in credit risk of invested debt instruments, and to review other information such as bond yield curve and significant information on debtors, in order to assess whether the credit risk of investment in debt instruments has increased significantly since the original recognition.

The company takes into account the current financial position of the debtors and the forecast of the prospects of their industries to measure the expected credit loss of 12 months or the duration of the investment in debt instruments. As of December 31, 2025 and 2024, the company assessed that the credit risk of the debtor was low and had sufficient capacity to repay the cash flow of the contract, so the expected credit loss was not mentioned.

X. Notes Receivable, Accounts Receivable, Overdue Receivables and Other Receivables

	December 31, 2025	December 31, 2024
Notes Receivable		
Measured at Amortized Cost		
Total Book Value	$ -	$ 3,856
Minus: Allowance for Loss	-	(239)
	$ -	$ 3,617
Accounts Receivable		
Measured at Amortized Cost		
Total Book Value	$ -	$ 25,611
Minus: Allowance for Loss	-	(2,731)
	$ -	$ 22,880

Overdue Receivables		
Measured at Amortized Cost		
Total Book Value	$ 15,903	$ 15,903
Minus: Allowance for Loss	(15,903)	(15,903)
	$ -	$ -

Other Receivables		
Receivables from sale of stocks	$ 58,689	$ -
Receivable interest	934	885
Receivable dividends	750	200
Other	-	353
	$ 60,373	$ 1,438

1. Notes Receivable

The credit period for the sale of goods by the company is 30 to 90 days.

The company recognizes the allowance loss of notes receivable according to the expected credit loss during the period of existence. The expected credit loss during the period of existence is calculated by using the reserve matrix, which takes into account the customer's past default record and current financial situation, industrial economic situation, as well as GDP forecast and industry outlook. As the company's historical experience of credit loss shows that there is no significant difference in the type of loss among different customer groups, the reserve matrix does not further distinguish the customer base and only sets the expected credit loss rate on the basis of the number of days overdue in receivables.

If there is evidence that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the related accounts receivable, but will continue to pursue the amount, and the amount recovered will be recognized in profit or loss.

The Company measures the allowance for notes receivable based on the allowance matrix as follows:

December 31, 2024

	Not Overdue
Expected Credit Loss Rate	6.20%
Total Book Value	$ 3,856
Allowance for Loss (Expected Credit Loss During the Period of Existence)	(239)
Amortized Cost	$ 3,617

In 2025 and 2024, the company recognized a reversal benefit of allowance for doubtful accounts on notes receivable of 239 thousand and 0 thousand, respectively, recorded under discontinued operations.

2. Accounts Receivable

The credit period for the sale of goods by the company is 30 to 90 days.

The company recognizes the allowance loss of accounts receivable based on the expected credit loss during the period of existence. The expected credit loss during the period of existence is calculated by using the reserve matrix, which takes into account the customer's past default record and current financial situation, industrial economic situation, as well as GDP forecast and industry outlook. As the company's historical experience of credit loss shows that there is no significant difference in the type of loss among different customer groups, the reserve matrix does not further distinguish the customer base and only sets the expected credit loss rate on the basis of the number of days overdue in receivables.

If there is evidence that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the related accounts receivable, but will continue to pursue the amount, and the amount recovered will be recognized in profit or loss.

The Company measures the allowance for losses on accounts receivable based on the allowance matrix as follows:

December 31, 2024

	Not Overdue
Expected Credit Loss Rate	10.66%
Total Book Value	$ 25,611
Allowance for Loss (Expected Credit Loss During the Period of Existence)	(2,731)
Amortized Cost	$ 22,880

In 2025 and 2024, the company recognized a reversal benefit of allowance for doubtful accounts of NT$ 2,731 thousand and NT$ 0 thousand, respectively, under discontinued operations.

3. Overdue Receivables

The company transfers overdue accounts receivable with customer complaints to demand collection and provides for 100% allowance for loss. There is no change in the allowance for 2025 and 2024.

4. Other Receivables

The Company's other receivables primarily consist of amounts receivable from the sale of stocks, dividends receivable, and interest receivable. The policy adopted by the Company is to transact only with parties that have good credit and, when necessary, to obtain sufficient collateral to mitigate the risk of financial losses arising from defaults. Credit rating information is evaluated based on historical transaction records of the counterparties. The Company continuously monitors credit exposure and the credit ratings of counterparties.

As of January 1 to December 31, 2025 and 2024, the expected credit loss rate for other receivables was 0%.

XI. Inventory

	December 31, 2025	December 31, 2024
Finished Products	$ -	$ 46,363
Work In Process	-	2,326
Raw Materials	-	9,586
	$ -	$ 58,275

The nature of cost of operating is as follows:

	December 31, 2025	December 31, 2024
Cost of goods sold		
Cost of inventories sold	$ 100,225	$ 521,971
Lease cost	62,820	-
Reduction: Discontinued operations(Note12)	(100,225)	(521,971)
	$ 62,820	$ -

XII. Discontinued operations

Due to the continued relocation of domestic chemical fiber-related industries and the ongoing increase in various manufacturing costs, the operation of our core business in the Taiwan region has become increasingly difficult, making it impossible to achieve profit targets. On February 24, 2025, the Board of Directors passed a resolution to cease production at the Zhubei Plant, and to lease the Zhubei Plant to Wistron Corporation (hereinafter referred to as Wistron) for a ten-year term with a monthly rent of not less than NT$22,500 thousand. Subsequently, on March 10, 2025, the Board of Directors passed a resolution to establish a real estate leasing department. Our twisted yarn division at the Zhubei Plant had completely ceased production as of March 2025, and the dismantled equipment and remaining materials are intended to be sold, thus classified as a disposal group held for sale. In April 2025, the company sold the aforementioned equipment and remaining materials for NT$13,430 thousand, recognizing a disposal gain of NT$9,398 thousand.

The details of profit and loss and cash flow information for the discontinued unit are as follows:

	December 31, 2025	December 31, 2024
Operating Revenue	$ 79,972	$ 475,953
Operating Costs	(100,225)	(521,971)
Gross Operating Loss	(20,253)	(46,018)
Selling Expenses	(4,309)	(19,581)
Administrative Expenses	(13,294)	(45,819)
Reversal of Expected Credit Loss	2,970	-
Net Operating Loss	(34,886)	(111,418)
Interest Income	1,216	14,037
Other Income	5,182	71,861
Other Gains and Losses	(153,792)	360,568
Finance Costs	(3,004)	(14,641)
Share of Profit and Loss of Subsidiaries Accounted for Using the Equity Method	(30,303)	(100,962)
Net (Loss) Profit Before Tax	(215,587)	219,445
Income Tax Expense	(291)	(4,728)
Discontinued Operations (Loss) Profit	($ 215,878)	$ 214,717
Cash Flows		
Operating Activities	$ 26,956	$ 15,568
Investing Activities	(226,616)	(163,475)
Financing Activities	211,884	(176,989)
Net Cash Inflow (Outflow)	$ 12,224	($ 324,896)

XIII.Investment Using Equity Method

Investment in Subsidiaries

	December 31, 2025	December 31, 2024
LAN FA HOLDING LIMITED	$ 63,372	$ 147,084
KING LAN FA Industrial Co., Ltd. (hereinafter referred to as KING LAN FA Company)	89,766	90,373
LAN TSE Investment Co., Ltd. (hereinafter referred to as LAN TSE Company)	78,123	86,828
LAN JIE Development Co., Ltd. (hereinafter referred to as LAN JIE Company)	318,395	335,237

	December 31, 2025	December 31, 2024
LAN HSIN Investment Co., Ltd. (hereinafter referred to as LAN HSIN Company)	$ 114,504	$ 117,607
LAN CHING Development Co., Ltd. (hereinafter referred to as LAN CHING Company)	(17,345)	(16,731)
	646,815	760,398
Add: Balance of Investment Credit with the Equity Method	17,345	16,731
	$ 664,160	$ 777,129

Name of Subsidiary	Ownership Interest and Percentage of Voting Rights December 31, 2025	December 31, 2024
LAN FA HOLDING LIMITED	100.00	100.00
KING LAN FA Company	100.00	100.00
LAN TSE Company	100.00	100.00
LAN JIE Company	100.00	100.00
LAN HSIN Company	100.00	100.00
LAN CHING Company	100.00	100.00

In 2025, the company adopts the equity method, the investment subsidiary LAN JIE Company and LAN HSIN Company, to adjust its investment positions to diversify risks and sold listed (OTC) stocks at a fair value of NT$ 38,080 thousand and NT$ 55,852 thousand. The other relevant equity - financial assets measured by fair value of NT$ 7,687 thousand and NT$ 8,084 thousand without realization of financial assets measured by fair value will be transferred to a retained surplus.

In 2024, the company adopts the equity method, the investment subsidiary LAN JIE Company, to adjust its investment positions to diversify risks and sold listed (OTC) stocks at a fair value of NT$ 175,769 thousand. The other relevant equity - financial assets measured by fair value of NT$ 23,803 thousand without realization of financial assets measured by fair value will be transferred to a retained surplus.

In 2025 and 2024, the company received cash dividends from its subsidiaries amounting to NT$49,493 thousand and NT$50,008 thousand, respectively.

The share of profits and losses and other consolidated profits and losses of subsidiaries using the equity method in 2025 and 2024 are recognized on the basis of the financial statements audited by accountants of each subsidiary in the same period.

Please refer to Note 34 for details of the investment subsidiaries held by the Company indirectly.

XIV. Immovable Property, Plant and Equipment-Owner-occupation

	December 31, 2025	December 31, 2024
Assets used by the Company	$ 60,668	$ 945,165
Operating lease rental	632	-
	$ 61,300	$ 945,165

(1) Assets used by the Company

	Self-owned Land	Building	Machinery Equipment	Hydroelectric Equipment	Transportation Equipment	Other Equipment	Advance Payment for Equipment	Total
Cost								
Balance on January 1, 2025	$ 659,395	$ 557,475	$ 521,776	$ 2,266	$ 4,928	$ 4,251	$ -	$ 1,750,091
Add	-	-	-	-	-	47	-	47
Disposal	-	-	-	-	-	(2,068)	-	(2,068)
Assets transferred to operating lease	-	-	-	(480)	-	(1,325)	-	(1,805)
Reclassified to be sold	-	-	(521,776)	(1,786)	-	(534)	-	(524,096)
Reclassified as investment property	(609,008)	(526,591)	-	-	-	-	-	(1,135,599)
Balance on December 31, 2025	$ 50,387	$ 30,884	$ -	$ -	$ 4,928	$ 371	$ -	$ 86,570
Accumulated Depreciation								
Balance on January 1, 2025	$ -	$ 280,885	$ 517,582	$ 2,095	$ 2,219	$ 2,145	$ -	$ 804,926
Disposal	-	-	-	-	-	(1,469)	-	(1,469)
Assets transferred to operating lease	-	-	-	(468)	-	(365)	-	(833)
Reclassified to be sold	-	-	(518,216)	(1,683)	-	(460)	-	(520,359)
Depreciation Expense	-	3,576	634	56	986	336	-	5,588
Reclassified as investment property	-	(261,951)	-	-	-	-	-	(261,951)
Balance on December 31, 2025	$ -	$ 22,510	$ -	$ -	$ 3,205	$ 187	$ -	$ 25,902
Net Amount on December 31, 2025	$ 50,387	$ 8,374	$ -	$ -	$ 1,723	$ 184	$ -	$ 60,668
Cost								
Balance on January 1, 2024	$ 659,395	$ 557,475	$ 524,424	$ 6,699	$ 4,928	$ 4,727	$ 345	$ 1,757,993
Add	-	-	123	-	-	1,171	-	1,294
Disposal	-	-	(2,771)	(4,433)	-	(1,992)	-	(9,196)
Reclassification	-	-	-	-	-	345	(345)	-
Balance on December 31, 2024	$ 659,395	$ 557,475	$ 521,776	$ 2,266	$ 4,928	$ 4,251	$ -	$ 1,750,091
Accumulated Depreciation								
Balance on January 1, 2024	$ -	$ 269,564	$ 517,667	$ 6,275	$ 1,233	$ 2,927	$ -	$ 797,666
Disposal	-	-	(2,771)	(4,433)	-	(1,992)	-	(9,196)
Depreciation Expense	-	11,321	2,686	253	986	1,210	-	16,456
Balance on December 31, 2024	$ -	$ 280,885	$ 517,582	$ 2,095	$ 2,219	$ 2,145	$ -	$ 804,926

	Self-owned Land	Building	Machinery Equipment	Hydroelectric Equipment	Transportation Equipment	Other Equipment	Advance Payment for Equipment	Total
Net Amount on December 31, 2024	$ 659,395	$ 276,590	$ 4,194	$ 171	$ 2,709	$ 2,106	$ -	$ 945,165

On March 10, 2025, the Company passed a resolution at the Board of Directors meeting to establish a real estate leasing department, and in March 2025, leased the Zhubei Plant to Wistron Corporation. The related land, buildings, and constructions were reclassified as investment properties. Some of the water and electricity facilities and other equipment in the original plant were made available to Wistron Corporation and reclassified as assets for operating leases. For the total future payments to be received from the leased assets, please refer to Note 16.

The immovable property, plant and equipment of the company are determined on the basis of cost and depreciated on the basis of the following durable years:

Building	
Main Building of Factory	25 to 56 years
Electromechanical Power Equipment	51 years
Machinery Equipment	5 to 16 years
Hydroelectric Equipment	9 to 10 years
Transportation Equipment	5 years
Other Equipment	3 to 5 years

For information on the mortgages of immovable property, plant and equipment provided to the treasury of various financial banks as financing guarantees, please refer to Note 30.

(2) Operating lease rental

	Hydroelectric Equipment	Other Equipment	Total
Cost			
Balance on January 1, 2025	$ -	$ -	$ -
From self-used assets	480	1,325	1,805
Disposal	(480)	-	(480)
Balance on December 31, 2025	$ -	$ 1,325	$ 1,325
Depreciation			
Balance on January 1, 2025	$ -	$ -	$ -
From self-used assets	468	365	833
Depreciation Expense	12	328	340
Disposal	(480)	-	(480)
Balance on December 31, 2025	$ -	$ 693	$ 693
Net Amount on December 31, 2025	$ -	$ 632	$ 632

Depreciation expenses are calculated on a straight-line basis over the following useful lives:

Hydroelectric Equipment	10 years

Other Equipment	3 years

XV. Lease Agreement

1. Right-of-use Assets

	Housing and Building
Cost	
Balances as of January 1 and December 31, 2025	$ 1,954
Accumulated Depreciation	
Balance on January 1, 2025	
Depreciation	749
Balance on December 31, 2025	391
Net Amount on December 31, 2025	1,140
	$ 814
Cost	
Balance on January 1and December 31, 2024	$ 1,954
Accumulated Depreciation	
Balance on January 1, 2024	$ 357
Depreciation	392
Balance on December 31, 2024	749
Net Amount on December 31, 2024	$ 1,205

2. Lease Liabilities

	December 31, 2025	December 31, 2024
Book Amount of Lease Liabilities		
Current	$ 397	$ 390
Non-current	$ 439	$ 836

The discount rate of lease liabilities was 1.87% on December 31, 2025, and 2024.

3. Other Lease Information

	2025	2024
Short-term Lease Expense	$ 301	$ 965
Total Cash (Outflow) from Leases	($ 711)	($ 1,374)

The company chooses to apply the recognition exemption to other equipment leases that meet the requirements of short-term leases and does not recognize the relevant right-to-use assets and lease liabilities for such leases.

XV. Investment Property

	Land	Housing and Building	Total
Cost			
Balances as of January 1 and December 31, 2025	$ 27,450	$ 211,662	$ 239,112
From real estate, factories, and equipment	$ 609,008	$ 526,591	$ 1,135,599
Add	-	4,809	4,809
Disposal	-	(2,822)	(2,822)
Balance on December 31, 2025	$ 636,458	$ 740,240	$1,376,698
Accumulated Depreciation			
Balance on January 1, 2025	$ -	$ 142,796	$ 142,796
From real estate, factories, and equipment	-	261,951	261,951
Depreciation Expense	-	12,457	12,457
Disposal	-	(2,822)	(2,822)
Balance on December 31, 2025	$ -	$ 414,382	$ 414,382
Net Amount on December 31, 2025	$ 636,458	$ 325,858	$ 962,316
Cost			
Balances as of January 1 and December 31, 2024	$ 27,450	$ 211,662	$ 239,112
Accumulated Depreciation			
Balance on January 1, 2024	$ -	$ 138,403	$ 138,403
Depreciation Expense	-	4,393	4,393
Balance on December 31, 2024	$ -	$ 142,796	$ 142,796
Net Amount on December 31, 2024	$ 27,450	$ 68,866	$ 96,316

The fair values of investment property on December 31, 2025, and 2024 are NT$ 6,863,039 thousand and NT$ 999,614 thousand respectively, which are evaluated by the independent evaluation company.

Except for the self-owned land, the investment property of the company is depreciated on a straight-line basis on the basis of the following durable years:

Housing and Building	
Main Building of Factory	41 to 56 years
Engineering System	31 years

The total amount of lease payments to be received in the future for leasing investment immovable property under operating leases is as follows:

	December 31, 2025	December 31, 2024
First Year	$ 277,810	$ 25,200
Second Year	270,000	8,400
Third Year	270,000	-
Fourth Year	270,000	-
Fifth year	290,000	-

More than five years	1,225,000	-
	$2,602,810	$ 33,600

All the investment property of the company are self-owned. For the mortgage information provided by investment property to various financial banks as financing guarantees, please refer to Note 30.

XVII. Long-term Loan

	December 31, 2025	December 31, 2024
Secured Loan (Note 30)		
-Bank Loan	$ -	$ 400,000

The company's loans include:

	Nature	December 31, 2025	December 31, 2024
Secured Loan of Mega International Commercial Bank	From November 25, 2024 to November 25, 2029, the principal will be repaid once in 5 years. The company has paid in full in advance.	$ -	$ 300,000
Secured Loan of Taiwan Cooperative Bank	From December 30, 2024 to December 30, 2027, pay interest monthly and repay principal once upon maturity. The company has paid in full in advance.	-	100,000
Total Bank Loan		$ -	$ 400,000

The interest rates for long-term loans were 2.05%-2.22% on December 31, 2024.

XVIII. Notes Payable and Accounts Payable

	December 31, 2025	December 31, 2025
Notes Payable		
From Business	$ 60	$ 1,494
Accounts Payable		
From Business	$ -	$ 9,736

1. Notes Payable

The notes payable by the company are mainly notes issued for the payment of materials and general expenses.

2. Accounts Payable

The average credit period is 30 days, and the company has a financial risk management policy to ensure that all payments are repaid within the pre-agreed credit period.

XIX. Other Accounts Payable

	December 31, 2025	December 31, 2024
Payable Salaries, Bonuses and Remuneration	$ 37,135	$ 41,293
Taxes Payable	4,256	2,976
Business Taxes	1,189	325
Utilities Payable	93	5,965
Securities payments	-	14,090
Interests Payable	-	246
Others	7,084	8,333
	$ 49,757	$ 73,228

XX. Post-retirement Benefits Plan

1. Determine the allocation plan

The pension system of the ”Labor Pensions Regulation ”applied by the company is a defined retirement scheme administered by the government, which transfers the pension to the individual account of the Labor Insurance Bureau according to 6% of the employee's monthly salary.

2. Determine the benefit plan

The pension system administered by the company in accordance with the ”Labor Standards Law” is a defined benefit retirement plan managed by the government. The payment of employee pension is based on the length of service and the average salary of 6 months prior to the approved retirement date. The company shall allocate a pension of 5% of the employee's total monthly salary to the Labor Retirement Reserve Supervision Board to deposit in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance of the special account is insufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be allocated once before the end of March of the next year. The special account is managed by the Labor Fund Operation Bureau of the Ministry of Labor, and the company has no right to affect the investment management strategy.

The amount of defined benefit plans included in the individual balance sheet is listed as follows:

	December 31, 2025	December 31, 2024
Current Value of Determined benefit Obligations	$ 28,545	$ 28,271
Fair Value of Plan Assets	(36,767)	(33,701)
Net Determined benefit Asset	($ 8,222)	($ 5,430)

Changes in net defined benefit liabilities are as follows:

	Current Value of Determined benefit Obligations	Fair Value of Plan Assets	Net Determined benefit Liabilities (Asset)
Balance on January 1, 2025	$ 28,271	($ 33,701)	($ 5,430)
Service Cost			
Current Service Cost	80	-	80
Interest Expense (Revenues)	424	(507)	(83)
Recognized in profits and losses	504	(507)	(3)
Number of Re-measurement			
Compensation for Planned Assets (except for the amount included in net interest)	-	(2,361)	(2,361)
Actuarial Benefit -Changes in Financial Assumptions	326	-	326
Actuarial Benefit-Experience Adjustment	(556)	-	(556)
Recognized in other consolidated profits and losses	(230)	(2,361)	(2,591)
Employees' Allocation	-	(198)	(198)
Balance on December 31, 2025	$ 28,545	($ 36,767)	($ 8,222)
Balance on January 1, 2024	$ 31,014	($ 30,289)	$ 725
Service Cost			
Current Service Cost	81	-	81
Interest Expense (Revenues)	388	(380)	8
Recognized in profits and losses	469	(380)	89
Number of Re-measurement			
Compensation for Planned Assets (except for the amount included in net interest)	-	(2,847)	(2,847)
Actuarial Losses-Changes in Financial Assumptions	(492)	-	(492)
Actuarial Benefit-Experience Adjustment	(2,720)	-	(2,720)
Recognized in other consolidated profits and losses	(3,212)	(2,847)	(6,059)
Employees' Allocation	-	(185)	(185)
Balance on December 31, 2024	$ 28,271	($ 33,701)	($ 5,430)

The amount of defined benefit plans recognized in profit and loss by function is summarized as follows:

	2025	2024
Operating Costs	($ 1)	$ -
Selling Expenses	(1)	34
Administrative Expenses	(1)	55
	($ 3)	$ 89

As a result of the pension system of the ”Labor Standards Law”, the company is exposed to the following risks:

(1) Investment risk: through self-use and entrusted operation, the Labor Fund Operation Bureau of the Ministry of Labor invests the labor pension fund in domestic (foreign) equity

securities and debt securities and bank deposits respectively, however, the distribution amount of the company's planned assets is calculated at a rate not lower than the 2-year time deposit interest rate of the local bank.

(2) Interest rate risk: the decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the return on debt investment of planned assets will also increase, which will partially offset the impact of net defined benefit liabilities.

(3) Salary risk: the calculation for determining the present value of benefit obligations is based on the future salary of the plan member. Therefore, the increase in the salary of plan members will increase the present value of determining benefit obligations.

The present value of the company's determined benefit obligations is carried out by a qualified actuary and the major assumptions for measuring the date are as follows:

	December 31, 2025	December 31, 2024
Discount Rate	1.250%	1.500%
Expected Rate of Increase in Salary	2.000%	2.000%

If there are reasonably possible changes in the material actuarial assumptions, all other assumptions remain the same, the amount of increase (decrease) in the present value of the determined benefit obligations is as follows:

	December 31, 2025	December 31, 2024
Discount Rate		
Increased 0.25%	($ 326)	($ 478)
Decreased 0.25%	$ 335	$ 492
Expected Rate of Increase in Salary		
Increased 0.25%	$ 327	$ 482
Decreased 0.25%	($ 320)	($ 471)

As actuarial assumptions may be related to each other, only a single assumption is unlikely to change, so the above sensitivity analysis may not reflect the actual changes in the present value of benefit obligations.

	December 31, 2025	December 31, 2024
Expected amount to be allocated within 1 year	$ 221	$ 188
Average expiration period of determined benefit obligations	4.7Years	6.9 Years

XXI. Rights and Interests

1. Equity

Common Stock

	December 31, 2025	December 31, 2024
Authorized Shares (thousand shares)	470,000	470,000
Authorized Equity	$ 4,700,000	$ 4,700,000
Shares Issued and Fully Received (thousand shares)	358,629	358,629
Equity Issued	$ 3,586,289	$ 3,586,289

The issued common shares have a par value of NT$ 10 each and each share has the right to vote and receive dividends.

2. Capital Reserves

	December 31, 2025	December 31, 2024
May be used to cover losses, distribute cash or allocate equity(Note1)		
Share Premium	$ 53,822	$ 53,822
The difference between the actual acquisition price of the subsidiary's equity and the book value	14,472	14,472
Treasury stock trading (Note 2)	173,692	173,692
Only be used to cover losses		
Recognize the number of changes in ownership rights and interests of subsidiaries (Note 3)	55,746	55,746
Other	1	1
	$ 297,733	$ 297,733

Note 1: Such capital reserves can be used to make up for losses and can also be used to distribute cash or allocate capital when the company has no losses. However, when replenishing the capital, it is limited to a certain ratio of paid-in capital every year.

Note 2: Such capital reserves are capital reserves that are the capital reserves that are held by the subsidiary and the cash dividends issued by the parent company to the subsidiary shall be affected by the provisions of Letter No. 340 of (91) Jimizi.

Note 3: In 2024, the subsidiary of the Company indirectly held 100% of the capital contribution, MARYLAND INVESTMENT LIMITED, handled a cash capital increase of US$5,000,000. The Group of the Company did not participate in the capital increase in proportion to the capital contribution held, resulting in changes in ownership rights and interests of the subsidiary.

3. Retention of surplus and dividend policy

(1) The dividend policy of the articles of association of the company is as follows:

1) If there is a surplus in the company's annual final accounts, in addition to paying taxes in accordance with the law, it shall first make up for the losses in previous years, and then set aside 10% of its balance as the statutory surplus reserve and deduct the special surplus reserve, the remaining surplus shall be added to the accumulated undistributed surplus of previous years as distributable surplus, which shall be retained by the board of directors according to the operational needs, if the net profit after tax is positive for the current period. The shareholders' dividends and bonuses shall be distributed at not less than 10% of the surplus available for distribution in the current period, and the proposed distribution shall be distributed by resolution of the shareholders meeting.

2) The company's dividend policy takes into account the company's capital expenditure and operating turnover requirements, adopts a balanced dividend policy, and the dividend is paid in principle in a parallel manner of stock and cash. The annual cash dividend shall not be less than 10% of the shareholder dividend and dividend distributed in the current year, but if the cash dividend is less than NT$ 0.1 per share, the stock dividend shall be paid.

(2) Legal reserve

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

(3) Special Surplus Reserve

1) Deduction of other rights and interests

When distributing the surplus, the company must, in accordance with the law, set aside a special surplus reserve for the balance of other equity deductions (including the unrealized gains and losses of financial commodities and the exchange differences translated into the financial statements of foreign operating institutions). If the amount of the reduction in other rights and interests is subsequently reduced, the reduced amount may be transferred from the special surplus reserve to the unallocated surplus.

2)Treasury Stock

The company shall not distribute the special surplus reserve of the same amount according to the proportion of shares held by the subsidiary at the end of the period due to the difference between the market price and the book value of the shares held by the subsidiary at the end of the period. If there is a rebound in the subsequent evaluation, the amount may be reversed to the special surplus reserve according to the shareholding ratio.

(4) The estimated basis and actual allotment of the remuneration of the employees and directors of the company can be found in Note 23 (8).

(5) The appropriation of earnings for 2025 proposed by the Company's board of directors on February 24, 2026 were as follows:

	2025
Legal Reserve	$ 6,612
Reversal special reserve provided	($ 54,755)
Cash dividends	$ 71,726
Cash dividends per share (NT$)	$ 0.2

The profit distribution plan for 2025 is still pending approval at the shareholders' meeting scheduled for May 12, 2026.

4. Special Surplus Reserve

The special surplus reserve system includes the accumulated translation adjustment transferred to retained earnings of NT$ 130,176 thousand when the company first adopted IFRSs; the special surplus reserve is added to the difference in the net deduction of other shareholders' equity incurred in previous years; and the special surplus reserve is calculated on the basis of the proportion of shares held by subsidiaries at the end of the period due to the difference in the market price of the shares held by the parent company below the book value.

5. Other Equity Items

(1) Exchange difference in the translation of financial statements of foreign operating institutions

	2025	2024
Balance at Beginning of Year	($ 62,642)	($ 73,934)
Arising in the Current Year		
Translation Difference of Foreign Operating Institutions	(2,075)	1,873
Share of Subsidiaries Using Equity Method	(916)	5,820
Other Consolidated Profits and Losses in the Current Year	(2,991)	7,693
Recognize the number of changes in ownership rights and interests of subsidiaries	-	3,599
Balance at Ending of Year	($ 65,633)	($ 62,642)

The relevant exchange differences arising from the conversion of the net assets of foreign operators from their functional currencies to the expressed currencies of the company (i.e. New Taiwan dollars) are directly recognized as the exchange differences in the translation of the financial statements of foreign operators under other consolidated profits and losses.

(2) Unrealized gains or losses for financial assets measured at FVTOCI

	2025	2024
Balance at Beginning of Year	($ 202,147)	($ 334,951)
Arising in the Current Year		
unrealized Profit or Loss		
Share of Subsidiaries Using Equity Method	(18,632)	85,198
Equity Instrument	125,911	(11,885)
Other Consolidated Profits and Losses in the Current Year	107,279	73,313
The accumulated profit and loss of subsidiaries using equity method is transferred to retained surplus	(15,771)	(23,803)
Accumulated profit and loss of the instrument of disposal of equity is transferred to the retained earnings.	10,173	83,294
Balance at Ending of Year	($ 100,466)	($ 202,147)

6. Treasury Stock

The purchase of the shares of the company by the subsidiaries of the company in order to safeguard the credit of the company and the rights and interests of shareholders shall be regarded as the purchase of treasury shares.

The relevant information about the shares held by the subsidiary at the balance sheet date is as follows:

December 31, 2025

	Proportion of Shares Held by the Company	Shareholding (1,000 shares)	Amount of Treasury Stock (NT$ THOUSAND)	Market Price (NT$ THOUSAND)
KING LAN FA Company	100.00	4,176	$ 43,297	$ 50,533
LAN TSE Company	100.00	19,511	238,841	236,092
LAN HSIN Company	100.00	11,535	170,139	139,572
LAN CHING Company	100.00	5,922	76,368	71,652
		41,144	$ 528,645	$ 497,849

December 31, 2024

	Proportion of Shares Held by the Company％	Shareholding (1,000 shares)	Amount of Treasury Stock （NT$ THOUSAND）	Market Price （NT$ THOUSAND）
KING LAN FA Company	100.00	4,176	$ 43,297	$ 41,763
LAN TSE Company	100.00	19,511	238,841	195,118
LAN HSIN Company	100.00	11,535	170,139	115,348
LAN CHING Company	100.00	5,922	76,368	59,216
		41,144	$ 528,645	$ 411,445

The shares held by a subsidiary of the company shall be treated as treasury shares, and the rights of the general shareholders shall be the same as those of the general shareholders, except that they may not participate in the cash capital increase of the company and have no right to vote.

XXII. Revenue

	2025	2024 (Restated)
Revenue of Customer Contract		
Revenue of Commodity Sales	$ 79,972	$ 475,953
Revenue of Rental		
Investment Property	202,324	-
	282,296	475,953
Reduce: Division of Discontinued Operations (Note 12)	(79,972)	(475,953)
	$ 202,324	$ -

1. Contract Balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable and accounts (Note10 & 29)	$ -	$ 30,486	$ 87,035
Contract Liabilities			
Revenue of Commodity Sales	$ -	$ 3,883	$ 5,078

The change in contract liabilities mainly comes from the difference between the time when the performance obligation is satisfied and the time when the customer pays.

The amount of performance obligations that have been met at the beginning of the year as income in the current period is as follows:

	2025	2024
Contract Liabilities from the Beginning of Year		
Commodity Sales	$ 3,883	$ 1,280

2. Segmentation of Customer Contract Revenue

The company had one business unit (Fake Screw Department – Zhubei Plant) cease operations in 2025. The continuing operating Dpt. is in the real estate leasing Dpt. For detailed information on the discontinued operating Dpt., please refer to Note 12.is a single industrial sector, all the revenues are from commodity sales.

XXIII. Net Profit of continuing operating Dpt.

Net profit of continuing operating Dpt. includes the following items:

1. Interest Revenues

	2025	2024 (Restated)
Bank Deposits	$ 3,321	$ 10,956
Corporate bonds	2,140	2,222
Other(Note 29)	244	859
	5,705	14,037
Reduce: Division of Discontinued Operations (Note 12)	(1,216)	(14,037)
	$ 4,489	$ -

2. Other Revenues

	2025	2024 (Restated)
Dividend Revenue	$ 90,979	$ 47,632
Rent Revenue	4,228	24,229
	95,207	71,861
Reduce: Division of Discontinued Operations (Note 12)	(5,182)	(71,861)
	$ 90,025	$ -

3. Other Revenues and Losses

	2025	2024 (Restated)
Net gains on financial instruments ats at FVTPL	$ 111,887	$ 335,649
Net gains (losses) on Foreign Currency Exchange	(4,261)	25,103
Gains (losses) on disposal of property, plant and equipment	2,688	1,526
Disposal of group interests for sale	9,398	-
Others	951	(1,710)
	120,663	360,568
Reduce: Division of Discontinued Operations (Note 12)	153,792	(360,568)
	$ 274,455	$ -

Net foreign exchange gains (losses)

	2025	2024 (Restated)
Total Profits of Foreign Currency Exchange	$ 9,646	$ 46,001
Total Losses of Foreign Currency Exchange	(13,907)	(20,898)
	(4,261)	25,103
Reduce: Division of Discontinued Operations (Note 12)	(2,159)	(25,103)
Net(Loss) Profit	($ 6,420)	$ -

4. Financial Costs

	2025	2024 (Restated)
Interest of Bank Loan	$ 5,662	$ 12,575
Interest of Commercial Paper Payable	741	2,040
Interest of Lease Liabilities	20	26
	6,423	14,641
Reduce: Division of Discontinued Operations (Note 12)	(3,004)	(14,641)
	$ 3,419	$ -

5. Depreciation

	2025	2024 (Restated)
Depreciation expenses are summarized by function		
Operating Cost	$ 16,056	$ 14,327
Operating Expenses	1,989	2,521
Other profit and loss	731	4,393
	18,776	21,241
Reduce: Division of Discontinued Operations	(5,227)	(21,241)
	$ 13,549	$ -

6. Investment Property Profit and Loss

	2025	2024 (Restated)
Rent Revenue of Investment Property	$ 206,324	$ 24,000
Direct Operating Expense of Investment Property	(18,816)	(6,300)
	187,508	17,700
Reduce: Division of Discontinued Operations	(2,948)	(17,700)
	$ 184,560	$ -

7. Employees' Benefit Expenses

	2025	2024 (Restated)
Retirement Benefits		
Determined Allocation Plan	$ 2,468	$ 3,606
Determined Benefit Plan (Note 20)	(3)	89
	2,465	3,695
Other Employee Benefits		
Salary Expense	61,010	74,231
Other Personnel Expense	6,108	13,277
	67,118	87,508
	69,583	91,203
Reduce: Division of Discontinued Operations	(19,962)	(91,203)
Total Employees' Benefit Expense	$ 49,621	$ -
Summary by Function		
Operating Costs	$ 43,892	$ 49,813
Operating Expenses	25,691	41,390
	69,583	91,203
Reduce: Division of Discontinued Operations	(19,962)	(91,203)
	$ 49,621	$ -

8. Employee Remuneration and Director Remuneration

The company allocates employee remuneration and director remuneration at the pre-tax benefit of 1.5% and not more than 2.5% respectively before deducting the distribution of employee and director remuneration in the current year, provided that the amount of compensation shall be retained in advance when the company still has accumulated losses. In accordance with the amendments to the Securities and Exchange Act of August 2024, the Company resolved at its Annual General Meeting of Shareholders to amend its Articles of Association, stipulating that 50% of the allocated employee remuneration shall be distributed to frontline employees.

As the Company had accumulated losses to be offset in 2024, employee remuneration and directors' remuneration were not included in the calculation. The employee remuneration and directors' remuneration for 2025 were resolved by the Board of Directors on February 24, 2026 as follows:

Estimation Ratio

	2025
Employee remuneration	1.5%
Director Remuneration	2.5%

The amount

	2025	
	Cash	Stock
Employee remuneration	$ 1,071	$ -
Director Remuneration	1,784	-

If there is any change in the amount after the release of the annual individual financial report, it shall be dealt with according to the change in accounting estimates and adjusted to be recorded in the following year.

The Company did not distribute employee remuneration and directors' remuneration in 2024 and 2023, and there was no difference between the amounts recognized in the individual financial statements for 2024 and 2023.

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

XXIV. Income Tax continuing operating Dpt.

1. Income tax expense recognized in profit or loss

The main components of income tax expenses recognized as follows:

	2025	2024 (Restated)
Current income tax		
Arising in the Current Year	$ 3,339	$ -
Adjustments in respect of prior years	-	(2)
Deferred Income Tax		
Arising in the Current Year	(936)	4,730
Reduce: Division of Discontinued Operations (Note12)	(291)	(4,728)
Income tax expense recognized in profit or loss	$ 2,112	$ -

The adjustment of accounting revenues and income tax expense is as follows:

	2025	2024 (Restated)
Net Profit before Tax	$ 258,056	$ 219,445
Income tax expense at the statutory rate (20%)	$ 51,611	$ 43,889
Benefit that cannot be deducted in tax from the loss or addition of fees	9,469	(14,320)
Profits and Losses on Securities Transaction and Dividend Revenues	(59,198)	(60,802)
Unrecognized Deductions for Temporary Differences and Loss Deductions	521	35,963
Adjustments to current income tax expenses in previous years in this year	$ -	($ 2)
Reduce: Division of Discontinued Operations (Note12)	(291)	(4,728)
Income Tax (benefit) Expenses Recognized in Profit and Loss	$ 2,112	$ -

2. Income Tax Recognized in Other Consolidated Profit or Loss

	2025	2024
Deferred Income Tax		
Arising in the Current Year		
- Number of Re-measurement of Determined Benefits	$ 518	$ 1,212
- Exchange Difference in the Translation of Financial Statements of Foreign Operating Institutions	(518)	468
Income Tax Recognized in Other Consolidated Profit or Loss	$ -	$ 1,680

3. Current Income Tax Assets

	December 31, 2025	December 31, 2024
Current Income Tax Assets		
Tax Refund Receivable	$ 1,281	$ 1,915
Current Income Tax Liabilities		
Income Tax Payable	$ 3,025	$ -

4. Deferred Income Tax Assets and Liabilities

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

2025

	Balance at Beginning of Year	Recognized in the Profit and Loss	Recognized in Other Consolidated Profit and Loss	Balance at Ending of Year
Deferred Income Tax Assets				
Temporary Differences	$ 489	($ 280)	$ -	$ 209
Deferred Income Tax Liabilities				
Temporary Differences				
Exchange Balance of Foreign Operating Institutions	$ 15,814	$ -	($518)	$ 15,296
Exchange Balance of Foreign Operating Institutions	1,017	-	518	1,535
Unrealized conversion benefit	2,021	(1,216)	-	805
	$ 18,852	($ 1,216)	$ -	$ 17,636

2024

	Balance at Beginning of Year	Recognized in the Profit and Loss	Recognized in Other Consolidated Profit and Loss	Balance at Ending of Year
Deferred Income Tax Assets				
Temporary Differences				
Deferred Unrealized Benefits	$ 795	($ 306)	$ -	$ 489
Determined Benefit Retirement Plan	195	-	(195)	-
Unrealized Exchange Loss	2,403	(2,403)	-	-
	$ 3,393	($ 2,709)	($ 195)	$ 489
Deferred Income Tax Liabilities				
Temporary Differences				
Exchange Balance of Foreign Operating Institutions	$ 15,346	$ -	$ 468	$ 15,814
Determined Benefit Retirement Plan	-	-	1,017	1,017
Unrealized conversion benefit	-	2,021	-	2,021
	$ 15,346	$ 2,021	$ 1,485	$ 18,852

5. The deductible temporary differences and unused losses of deductible assets not recognized in the individual balance sheet.

	December 31, 2025	December 31, 2024
Loss Deduction		
Expire in 2029	$ -	$ 5,452
Expire in 2030	-	71,787
Expire in 2034	-	31,951
	$ -	$ 109,190
Deductible Temporary Difference		
Investment Losses Recognized by Equity Method	$ 1,868,287	$ 1,655,949
Allowance for Loss	15,745	18,381
Loss of Inventory Falling Price	-	8,154
	$ 1,884,032	$ 1,682,484

6. Approval of Income Tax

Except for the profit-seeking enterprise income tax declaration of 2022, the income tax declaration cases up to 2023 of this company have been approved by the tax authorities.

XXV. Earnings per share

	2025	2024
Basic earnings (loss) per share		
From continuing operating	$ 1.49	$ -
From discontinued operation	(0.68)	0.68
Basic earnings per share total	$ 0.81	$ 0.68
Diluted earnings (loss) per share		
From continuing operating	$ 1.49	$ -
From discontinued operation	(0.68)	0.68
Diluted earnings per share total	$ 0.81	$ 0.68

Net profit (loss) and weighted average number of ordinary shares used to calculate earnings (loss) per share are as follows:

Net profit

	2025	2024
Earnings used in the computation of basic earnings per share	$ 255,653	$ 214,717
Reduce: Net profit (loss) of discontinued operations used to calculate basic earnings per share of discontinued operations	(215,878)	214,717
Net profit used to calculate basic earnings per share of continuing operations	471,531	-
Effect of potential ordinary shares with dilutive effect:	-	-
Net profit used to calculate diluted earnings per share of continuing operations	$ 471,531	$ -

Number of Shares — Unit: thousand shares

	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	317,485	317,485
Impacts of potential ordinary shares with dilution effect:		
Employees' compensation	44	-
The weighted average number of ordinary shares used in the calculation of diluted earnings (net loss) per share	317,529	317,485

XXVI. Cash Flow Information

The company carried out the investment and financing activities of some of the following cash transactions in 2025 and 2024.

(1) Non-cash transactions

In addition to those disclosed in other notes, the Company conducted the following non-cash investment activities in 2025 and 2024:

As of December 31, 2025, and 2024, the Company's dividend income that had not yet been recovered was NT$750 thousand and NT$200 thousand respectively (listed as other receivables).

(2) Changes in Liabilities Arising from Financing Activities

2025

	January 1, 2025	Cash Flow	December 31, 2025
Long-term loan	$ 400,000	($ 400,000)	$ -
Deposit received	9	55,891	55,900
Lease Liabilities	1,226	(390)	836
	$ 401,235	($ 344,499)	$ 56,736

2024

	January 1, 2024	Cash Flow	December 31, 2024
Short-term Loans	$ 12,273	($ 12,273)	$ -
Long-term loan	549,591	(149,591)	400,000
Deposit received	15	(6)	9
Lease Liabilities	1,609	(383)	1,226
	$ 563,488	($ 162,253)	$ 401,235

XXVII. Capital Risk Management

The company conducts capital management to ensure that shareholders' compensation is maximized by optimizing the balance of debt and equity while continuing to operate.

On the advice of the key management, the company has balanced its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new debts or repaying old debts.

XXVIII. Financial Instruments

1. Fair Value Information - Financial Instruments Not Measured by Fair Value.

Except as stated below, the management of the company considers that the carrying number of financial instruments not measured at fair value approaches their fair value.

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets Measured at Amortized Cost（Note）					
-Foreign Corporate Bonds	$ 79,830	$ -	$ 53,362	$ -	$ 53,362

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets Measured at Amortized Cost（Note）					
-Foreign Corporate Bonds	$ 83,860	$ -	$ 54,196	$ -	$ 54,196

2. Fair Value Information - Financial Instruments Measured at Fair Value on a Repetitive Basis

(1) Level of Fair Value

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL				
Equity Instrument Investment				
- Domestic Listed (OTC) Stocks	$ 592,600	$ -	$ -	$ 592,600
Financial Assets Measured at FVTOCI				
Equity Instrument Investment				
- Domestic Listed (OTC) Stocks	$ 524,470	$ -	$ -	$ 524,470
- Domestic Unlisted (OTC) Stocks	-	-	42,530	42,530
Total	$ 524,470	$ -	$ 42,530	$ 567,000

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL				
Equity Instrument Investment				
- Domestic Listed (OTC) Stocks	$ 994,385	$ -	$ -	$ 994,385
Financial Assets Measured at FVTOCI				
Equity Instrument Investment				
- Domestic Listed (OTC) Stocks	$ 416,355	$ -	$ -	$ 416,355
- Domestic Unlisted (OTC) Stocks	-	-	83,868	83,868
Total	$ 416,355	$ -	$ 83,868	$ 500,223

There was no transfer between level 1 fair value measurement and level 2 fair value measurement in 2025 and 2024.

(2) Regulation of financial instruments measured at level 3 fair values

2025

	Financial Assets at FVTOCI Equity Instrument
Balance at Beginning of Year	$ 83,868
Recognized in Other Consolidated Profits and Losses	(4,771)
Dispose	(36,567)
Balance at Ending of Year	$ 42,530

2024

	Financial Assets at FVTOCI Equity Instrument
Balance at Beginning of Year	$ 69,472
Recognized in Other Consolidated Profits and Losses	14,396
Capital reduction	$ 83,868

(3) Evaluation Technology and Input Value of Level 3 Fair Value Measurement

The investment of domestic unlisted (OTC) stocks adopts the simulated listed company law and the adjusted net assets method, taking into account liquidity depreciation and uncontrolled equity depreciation to determine the value of the target company. Significant unobservable input values are liquidity depreciation and uncontrolled equity depreciation.

3. Types of Financial Instruments

	December 31, 2025	December 31, 2024
Financial Assets		
Mandatorily measured at FVTPL	$ 592,600	$ 994,385
Financial Assets Measured at Amortized Cost (Note 1)	799,103	291,771
Financial assets measured at FVTOCI Equity Instrument Investment	567,000	500,223
Financial Liabilities		
Measured at Amortized Cost (Note 2)	$ 63,084	$ 439,820

Note 1: The balance includes financial assets measured at amortized cost, such as Cash and Cash Equivalents, Financial Assets Measured at Amortized Cost, Notes Receivable and Accounts Receivable (Include Related Party), Other Receivables (Include Related Party) and Refundable Deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term loans, short-term bills payable, notes payable, accounts payable, other payables, long-term loans due within one year and long-term loans, but excludes financial liabilities measured at amortized cost such as business tax payable, taxes payable and short-term employee benefits payable.

4. Purpose and Policy of Financial risk Management

The company's main financial instruments include accounts receivable, accounts payable, loans and lease liabilities. The financial management department of the company coordinates access to the domestic and international financial markets, analyzes the risks and manages the financial risks related to the operation of the company according to the degree and scope of the risks. Such risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

(1) Market Risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency risk (see 1) below) and interest rates (see 2) below) and the risk of changes in the share prices of equity commodities (see 3) below). The stock value of the equity commodity invested will change with the fluctuation of the stock price of the invested individual stock.

The company's exposure to market risks in financial instruments and its management and measurement of such risks have not changed.

1) Exchange Rate Risk

For the carrying amounts of monetary assets and monetary liabilities denominated in currencies outside the balance sheet date of the company, please refer to Note 33.

Sensitivity Analysis

The company is mainly affected by fluctuations in the exchange rate of the US dollar.

The following table shows the sensitivity analysis of the company when the individual functional currency appreciates and depreciates by 5% against the relevant foreign currencies. 5% is the assessment of the reasonable possible range of changes in the exchange rate of foreign currencies within the company. The following table shows the amount by which the net profit before tax will be reduced when the functional currency appreciates 5% relative to the relevant currencies; when the individual functional currency appreciates 5% relative to the relevant foreign currencies, the impact on the pre-tax net profit will be the same amount in the opposite direction.

	Influence of US Dollar	
	2025	2024
Profit and Loss	($ 4,173)	($ 8,526)

The above is mainly derived from the US dollar-denominated bank deposits、commercial promissory notes and receivables of the company which are still outstanding on the balance sheet date and are not hedged in cash flow.

The company's sensitivity to the US dollar exchange rate has decreased this year, mainly due to a reduction in accounts receivable and cash equivalents denominated in US dollars this year.

2) Interest Rate Risk

The carrying amounts of the financial assets and financial liabilities of the company insured by interest rate exposure on the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair Value Interest Rate Risk		
-Financial Assets	$ 669,830	$ 161,252
-Financial Liabilities	836	1,226
Cash Flow Interest Rate Risk		
-Financial Assets	9,283	17,140
-Financial Liabilities	-	400,000

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. The rate of change used by the company is an increase or decrease of 25 basis points in the interest rate, which is also an assessment of the reasonable range of possible changes in the interest rate.

If the interest rate increases/decreases by 25 basis points, with all other variables remaining unchanged, the company's pre-tax net profit will increase/decrease by NT$23 thousand in 2025, if the interest rate increases/decreases by 25 basis points, with all other variables remaining unchanged, the company's pre-tax net profit will decrease/increase by NT$957 thousand in 2024, mainly due to the company's exposure to interest rate risk on demand deposits and borrowings.

3) Other Price Risk

The company's equity price exposure is caused by the investment of equity securities. The management of the company manages risks by holding different risk portfolios.

Sensitivity Analysis

The following sensitivity analysis is based on equity price exposure on the balance sheet date.

If equity prices rise/fall 5%, pre-tax profit or loss in 2025 and 2024 will increase/decrease by NT$ 29,630 and NT$ 49,719 thousand due to the rise/fall in the fair value of financial assets measured by fair value through profit or loss. Other consolidated profit and loss before tax in

2025 and 2024 will increase/decrease by NT$ 28,350 and NT$ 25,011 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other consolidated income or loss.

(2) Credit Risk

Credit risk refers to the risk that the other party of the transaction defaults on its contractual obligations and causes financial losses to the company. As at the balance sheet date, the maximum credit risk exposure insurance of the company that may result in financial losses due to the failure of the counterparty to perform its obligations mainly comes from the book amount of financial assets recognized in the individual balance sheet.

The policy of the company is to trade only with reputable parties and to obtain sufficient guarantees if necessary to mitigate the risk of financial losses arising from default.

The credit risk of the company is mainly concentrated in the top five customers of the company this year. As of December 31, 2024 , the ratio of receivables from the above-mentioned customers was 49% respectively.

(3) Liquidity Risk

The company manages and maintains sufficient cash and cash equivalents to support the company's operations and mitigate the impact of cash flow fluctuations. The company's management supervises the use of bank financing lines and ensures compliance with the terms of the loan contract.

Bank borrowing is an important source of liquidity for the company. As of 31 December 2025, and 2024, for the Company’s unused bank financing facilities, please refer to the following (2) Description of Financing Amount.

(1) Liquidity and interest rate risk statement for non-derivative financial liabilities

The analysis of remaining contractual maturity for non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (comprising principal and estimated interest) based on the earliest date on which the Company can be required to pay. Therefore, the Company's bank loans that may be required to repay immediately are compiled in the earliest period in the table below, without considering the probability of the bank exercising such right immediately; the maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date. The undiscounted interest amount of interest cash flows paid at a floating rate is derived based on the daily yield curve on the balance sheet.

December 31, 2025

	Require Immediate Payment or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More Than 5 Years
Non-derivative Financial Liabilities					
Non-interest-bearing Liabilities	$ 7,184	$ -	$ -	$ 55,900	$ -
Lease Liabilities	34	68	307	444	-
	$ 7,218	$ 68	$ 307	$ 56,344	$ -

December 31, 2024

	Require Immediate Payment or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More Than 5 Years
Non-derivative Financial Liabilities					
Non-interest-bearing Liabilities	$ 39,811	$ -	$ -	$ 9	$ -
Long-term Loan	716	1,432	6,562	430,096	-
Lease Liabilities	34	68	306	854	-
	$ 40,561	$ 1,500	$ 6,868	$ 430,959	$ -

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

(2) Financing Amount

	December 31, 2025	December 31, 2024
Secured Bank Amount		
- Used Amount	$ -	$ 412,289
- Unused Amount	1,250,000	2,298,951
	$ 1,250,000	$ 2,711,240
Unsecured Bank Amount		
- Used Amount	$ -	$ -
- Unused Amount	780,000	1,430,000
	$ 780,000	$ 1,430,000

XXIX. Related Party Transaction

Except as disclosed in other notes, the transactions between the company and related parties are as follows:

1. Name and Relationship of Related Party

Name of Related Party	Relationship with the Company
Evertex Fabrinology Limited	Chairman of the Company is its Director (Substantive Party)
Hangzhou LAN FA TEXTILE CO., LTD. (Hangzhou Lan Fa Company)	Indirectly-held Subsidiary

Name of Related Party	Relationship with the Company
LAN HSIN Company	Subsidiary
LAN TSE Company	Subsidiary
LAN CHING Company	Subsidiary
LAN JIE Company	Subsidiary

The major transactions between the company and related party are as follows:

2. Operating Transaction

	Commodity Sale	
	2025	2024
Substantive Party	$ 2,359	$ 12,479

The company's sales price and collection period for related parties are comparable to those of ordinary customers, recorded under the profit and loss items of discontinued operations.

The balance of accounts receivable from related parties (including bills and accounts) and contract liabilities on the balance sheet date is as follows

Account Item	Type of Related Party	December 31, 2025	December 31, 2024
Accounts Receivable	Substantive Party	$ -	$ 3,989

The related-party receivables outside the circulation is not guaranteed. The related-party receivables in 2025 and 2024 were not overdue and no allowance for losses.

3. Loan to Related Party

	December 31, 2025	December 31, 2024
Other Accounts Receivable		
Indirectly-held Subsidiary		
Hangzhou Lan Fa Company	$ -	$ 49,476

	2025	2024
Interest Revenues		
Indirectly-held Subsidiary		
Hangzhou Lan Fa Company	$ 244	$ 859

The company provides short-term loans to Hangzhou Lan Fa Company, with interest rates close to the market rate. The loan was repaid in April 2025. Loans to indirectly held subsidiaries in 2024 were unsecured loans. As of December 31, 2024, the other receivables, including interest receivable, amounted to NT$304 thousand.

For the fund loans and situation of indirectly held subsidiaries in 2024, please refer to Table 1 of Note 34.

4. Endorsement

Endorsements and guarantees provided to others

Type of related person / name	December 31, 2025	December 31, 2024
Directly or indirectly held subsidiaries		
LAN HSIN Company	$ 50,000	$ 50,000
LAN TSE Company	90,000	90,000
LAN CHING Company	100,000	100,000
LAN JIE Company	90,000	90,000
HANGZHOU LAN FA TEXTILE CO., LTD.	806,946	845,096
	$1,136,946	$1,175,096

5. Salary of Major Management

The total remuneration for directors and other major management in 2025 and 2024 was as follows:

	2025	2024
Bonus	$ 13,284	$ 9,500
Salary	6,936	6,476
Business Execution Expense	1,350	1,260
	$ 21,570	$ 17,236

The remuneration of directors and other major management is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXX. Mortgaged Assets

The following assets of the company have been provided as guarantees for financing to various banks.

	December 31, 2025	December 31, 2024
Immovable Property, Plant and Equipment		
Land	$ -	$ 609,236
Housing and Building	-	267,221
	-	876,457
Investment real estate		
Land	617,900	8,664
Housing and Building	320,314	67,477
	938,214	76,141
	$ 938,214	$ 952,598

XXXI. Significant or Indebted and Unrecognized Contractual Commitments

In addition to those stated in other notes, the company has the following significant commitments at the balance sheet date:

Significant Commitments

As of December 31, 2024, the amount of unused credit issued by the company due to the purchase of raw materials is NT$ 12,289 thousand.

XXXII. Significant subsequent events

Except for disclosures already made in other notes, in order to adjust the capital structure and improve the return on shareholders' equity, the Company, on February 24, 2026, passed a resolution at the Board of Directors meeting to conduct a cash capital reduction to return NT$896,572 thousand to shareholders, canceling 89,657 thousand shares with a par value of NT$10 per share. The capital reduction ratio is 25%, with NT$2.5 cash returned per share. After the capital reduction, the paid-in capital will be NT$2,689,717 thousand, with a total of 268,972 thousand shares outstanding, and it is planned to be implemented after approval at the shareholders' meeting on May 12, 2026.

XXXIII. Information on Foreign Currency Financial Assets and Liabilities with Significant Impact

The following information is summarized in terms of foreign currencies other than the functional currencies of the company, and the exchange rates disclosed refer to the exchange rates at which those foreign currencies are converted to functional currencies. The information of foreign currency assets with significant impact is as follows:

December 31, 2025

Financial Assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary Items			
US Dollars	$ 2,655	31.438(USD:TWD)	$ 83,463
Non-monetary Items			
Subsidiaries with the Equity Law			
US Dollars	2,016	31.438(USD:TWD)	63,372

December 31, 2024

Financial Assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary Items			
US Dollars	$ 5,202	32.781(USD:TWD)	$ 170,527
Non-monetary Items			
Subsidiaries with the Equity Law			
US Dollars	4,487	32.781(USD:TWD)	147,084

Significant foreign exchange profits and losses (which have been provided to major operational decision makers and unrealized now) are as follows:

Foreign Currency	2025 Exchange Rate	2025 Net Exchange Profit and Loss	2024 Exchange Rate	2024 Net Exchange Profit and Loss
US Dollars	31.217 (USD:TWD)	($ 4,261)	32.165 (USD:TWD)	$ 25,103

XXXIV. Disclosures in Notes

1. Information on major transactions：

(1) Loan to Others: Table 1.

(2) Endorsement for Others: Note29 & Table 2.

(3) Holding a List of Marketable Securities at the End of the Period (Excluding Investment Subsidiaries): Table 3.

(4) The amount of commodity purchased and sold with the related party has reached to NT$ 100 million or more than 20% of the paid-in capital: NA.

(5) Related-party Receivables has reached to NT$ 100 million or more than 20% of the paid-in capital: NA.

2. Information Related to Re-investment: Table 4.

3. Investment Information in China

(1) The name, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and remitted investment profit and loss of the invested company in China: Table 5

(2) The following major transactions with China invested companies directly or indirectly through the third area, as well as their prices, terms of payment, unrealized profits and losses:

1) Balance and percentage at the end of the period of purchase amount and percentage and related payables: NA.

2) Balance and percentage at the end of the period of sale amount and percentage and related payables: NA.

3) The amount of property transactions and the amount of profit and loss generated: NA.

4) Balance and purpose at the end of the period of note endorsement that guarantees or provides collateral: Table 2.

5) Maximum balance, balance at the end of the period, interest rate range and total interest of the current period of financing: Table 1.

6) Other transactions that have a significant impact on the current profit or loss or financial situation, such as the provision or receipt of labor services, etc.: NA.

LAN FA TEXTILE CO., LTD.

Loan to Others

January 1 to December 31, 2025

Table 1 Unit: NT$ thousands or thousand US dollars

No.	Company that Lends Money	Object	Inter-company Items	Related Party	Current Maximum Balance	Ending Balance	Actual Expenditure Amount	Interest Rate Range	Loan Nature	Amount of Business Transactions	Necessary Reason for Short-term Financing Funds	Allowance for Bad Debts	Collateral		Loan Limit of Funds to Individual Objects	Total Loan Limit
													Name	Value		
0	LAN FA TEXTILE CO., LTD.	Hangzhou Lan Fa Company	Other Accounts Receivable-Related Party	Y	$ 47,157 (USD1,500) (Note 3)	$ - (USD -) (Note 3)	$ - (USD -) (Note 3, 4)	2.0%	short-term Financing Fund	$ -	Financing Required for Operating Turnover	NA	NA	NA	$1,054,286 (Note 2)	$1,405,714 (Note 2)

Note 1: The investee company is numbered according to the order of the company.

Note 2: The amount of capital loan of the company is limited to 40% of the net value of the company, and the entity loan amount is limited to 30% of the net value of the company.

Note 3: Converted at the exchange rate of December 31, 2025.

Note 4: Hangzhou Lan Fa Company repaid the loan in April 2025, and there was no interest receivable as of December 31, 2025. The interest income for the year 2025 was NT$244 thousand.

LAN FA TEXTILE CO., LTD.

Endorsement for Others

January 1 to December 31, 2025

Table 2 Unit: NT$ thousands

No. (Note 1)	Company Name of Endorser	Object Guaranteed by Endorsement		Limit for Endorsement of A Single Enterprise (Note 3)	Balance of Current Maximum Endorsement	Balance of Endorsement at End of the Period	Actual Expenditure Amount	Amount Guaranteed by Endorsement of Property Guarantee	Ratio of the Cumulative Endorsement Guarantee Amount to the Net Value of the Latest Financial Statements (%)	Maximum Limit of Endorsement (Note 3)	Parent Company's Endorsement to Subsidiary	Subsidiary's Endorsement to Parent Company	Endorsement to China	Remarks
		Company Name	Relationship (Note 2)											
0	The Company	LAN HSIN Company	2	$1,793,145	$ 50,000	$ 50,000	$ -	$ -	1.42	Paid-in Capital of NT$ 3,586,289 thousand for the Company	Y	N	N	
0	〃	LAN TSE Company	2	1,793,145	90,000	90,000	-	-	2.56		Y	N	N	
0	〃	LAN CHING Company	2	1,793,145	100,000	100,000	25,000	-	2.85		Y	N	N	
0	〃	LAN JIE Company	2	1,793,145	90,000	90,000	-	-	2.56		Y	N	N	
0	〃	HANGZHOU LAN FA TEXTILE CO., LTD.	2	1,793,145	845,096	806,946	465,769	-	22.96		Y	N	Y	

Note 1: The company fills in 0.

Note 2: There are seven kinds of relationship between the endorsement guarantee object and the parent company, the comparison is as follows:

1. A company that does business.
2. The company that directly or indirectly holds more than 50% of the voting shares.
3. The company that directly or indirectly holds more than 50% of the voting shares.
4. Companies that directly or indirectly hold more than 90% of the voting shares.

5. Based on the needs of contracting projects, the same industry or co-founded companies that guarantee each other in accordance with the provisions of the contract.

6. The company that is guaranteed by endorsement through all the contributing shareholders according to the shareholding ratio because of the joint investment relationship.

7. The performance bond and joint guarantee of pre-sale house sales contracts are carried out among the industry in accordance with the norms of the Consumer Protection Law.

Note 3: According to the measures for the implementation of the endorsement guarantee of the company, the total amount of the endorsement guarantee shall not exceed the paid-in capital of the company, and the endorsement guarantee of a single enterprise shall not exceed 1/2 of the paid-in capital of the company.

LAN FA TEXTILE CO., LTD.

Holding of Marketable Securities at the End of the Period (Do not include investment in subsidiaries)

December 31, 2025

Table 3 Unit: NT$ thousands, thousand shares

Holding Company	Types and Names of Marketable Securities	Relationship with Issuers of Securities	Amount Items	End of the Period				Remarks
				Number of Shares	Carrying Amount	Shareholding Ratio %	Fair Value （Note 1）	
Company	Stocks							
	Quanta Computer lnc.	NA	Financial assets measured at FVTPL	800	$ 217,600	0.02	$ 217,600	
	TSMC	〃	〃	150	232,500	-	232,500	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	〃	〃	750	142,500	0.03	142,500	
	Subtotal	〃	〃		$ 592,600			
	Evertex Fabrinology Limited	The chairman of the company is its director	Financial assets measured at FVTOCI	1,947	$ 44,392	2.27	44,392	
	Formosa Technical Co., Ltd.	NA	〃	4,723	305,578	1.07	305,578	
	Formosa Taffeta Co., Ltd.	〃	〃	5,000	79,500	0.30	79,500	

Holding Company	Types and Names of Marketable Securities	Relationship with Issuers of Securities	Amount Items	End of the Period				Remarks
				Number of Shares	Carrying Amount	Shareholding Ratio %	Fair Value（Note 1）	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	〃	〃	500	95,000	0.02	95,000	
Company	TUNTEX PETROCHEMICALS, INC.	NA	Financial assets measured at FVTOCI	51	327	0.03	327	
	CHU SING INDUSTRIAL CO., LTD.	〃	〃	29	1,517	3.32	1,517	
	YI TONG FIBER CO., LTD.	〃	〃	671	37,994	1.52	37,994	
	CC&C TECHNOLOGIES, INC.	〃	〃	336	2,692	0.99	2,692	
	Subtotal				$ 567,000			
	BOND							
	Apple Inc. corporation bonds	〃	Financial Assets Measured at Amortized cost	-	$ 41,238	-	$ 26,835	
	International Bonds of the Government of Saudi Arabia	〃	〃	-	38,592	-	26,527	
	Subtotal				$ 79,830			
Subsidiaries-KING LAN FA	Stocks							
	LAN FA TEXTILE CO., LTD.	The Company	Financial assets measured at FVTOCI	4,176	$ 50,533	1.16	50,533	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	NA	〃	40	7,600	-	7,600	
	Subtotal				$ 58,133			
Subsidiaries-LAN TSE	Stock							
	Senao International Co., Ltd.	NA	Financial assets measured at	40	$ 1,158	0.02	1,158	

Holding Company	Types and Names of Marketable Securities	Relationship with Issuers of Securities	Amount Items	End of the Period				Remarks
				Number of Shares	Carrying Amount	Shareholding Ratio %	Fair Value（Note 1）	
	LAN FA TEXTILE CO., LTD.	The Company	FVTPL Financial assets measured at FVTOCI	19,511	$ 236,092	5.44	236,092	
	LAN DER DEVELOPMENT CO., LTD.	NA	〃	1,904	18,121	7.46	18,121	Including 1,410 thousand special shares
	SHENQ-TZER DEVELOPMENT CO., LTD.	NA	〃	1,963	22,854	5.36	22,854	Including 1,599 thousand special shares
	Subtotal				$ 277,067			
Subsidiaries-LAN JIE	Stock							
	Quanta Computer lnc.	NA	Financial assets measured at FVTPL	100	$ 27,200	-	$27,200	
	LAN DER DEVELOPMENT CO., LTD.	NA	Financial assets measured at FVTOCI	2,138	$ 20,354	8.88	20,354	Including 1,551 thousand special shares
	SHENQ-TZER DEVELOPMENT CO., LTD.	〃	〃	2,424	28,216	12.12	28,216	Including 1,599, thousand special shares
	Subtotal				$ 48,570			
Subsidiaries-LAN CHING	Stock							
	LAN FA TEXTILE CO., LTD.	The Company	Financial assets measured at FVTOCI	5,922	$ 71,652	1.65	71,652	
	LAN DER DEVELOPMENT CO., LTD.	NA	〃	423	4,027	2.99	4,027	Including 226 thousand special shares

Holding Company	Types and Names of Marketable Securities	Relationship with Issuers of Securities	Amount Items	End of the Period				Remarks
				Number of Shares	Carrying Amount	Shareholding Ratio %	Fair Value （Note 1）	
	SHENQ-TZER DEVELOPMENT CO., LTD.	〃	〃	191	2,225	1.79	2,225	Including 70 thousand special shares
	Subtotal				$ 77,904			
Subsidiaries-LAN HSIN	Stocks							
	LAN FA TEXTILE CO., LTD.	The Company	Financial assets measured at FVTOCI	11,535	$ 139,572	3.22	$139,572	
	LAN DER DEVELOPMENT CO., LTD.	NA	〃	75	718	0.07	718	Including 71 thousand special shares
	YEH YING Investment Co., LTD.	〃	〃	1,365	14,005	10.26	14,005	
	SHENQ-TZER DEVELOPMENT CO., LTD.	NA	〃	74	865	0.07	865	Including 70 thousand special shares
	LUNG CHIU Investment Co., LTD.	〃	〃	401	4,812	3.25	4,812	
	Subtotal				$ 159,972			

Note 1: Listed and OTC stocks shall follow the closing price of December 31, 2025.

Note 2: For information about investment in subsidiaries, please refer to Table 4 and 5.

LAN FA TEXTILE CO., LTD.

Information, Region and Other Relevant Information of the Invested Company (Excluding Invested Companies in China)

January 1 to December 31, 2025

Table 4

Name of investment company	Name of invested company	Region	Main business items	Original investment amount		Hold at the end of the period			Current profit and loss of invested company	Investment profit and loss recognized for the current period	Remarks
				End of current period	End of last period	Number of Shares	Ratio %	Carrying Amount			
The Company	KING LAN FA Industrial Co., Ltd.	Taipei	1. Trading of cloth and textiles, etc. 2. Entrusting builders to build residential rental and sale business	$ 202,946	$ 202,946	8,800	100.00	$ 89,766	$ 1,673	$ 1,673	（Note 1）
	LAN TSE Investment Co., Ltd.	〃	General Investment	299,947	299,947	41,342	100.00	78,123	(7,536)	(7,536)	（Note 1）
	LAN JIE Development Co., Ltd.	〃	〃	100,080	100,080	24,078	100.00	318,395	35,992	35,992	
	LAN HSIN Investment Co., Ltd.	〃	〃	211,256	211,256	25,214	100.00	114,504	9,623	9,623	（Note 1）
	LAN CHING Development Co., Ltd.	〃	〃	129,902	129,902	13,150	100.00	(17,345)	(582)	(582)	（Note 1）
	LAN FA HOLDING LIMITED	Trust Net Chambers, P.O.Box 1225, Apia, Samoa	International Investment Industry	1,589,570	1,589,570	48,587	100.00	63,372	(82,520)	(82,520)	
LAN FA HOLDING LIMITED	MARYLAND INVESTMENT LIMITED	Trust Net Chambers, P.O.Box 1225, Apia, Samoa	〃	1,589,570	1,589,570	48,587	89.83	62,830	(91,873)	(82,530)	Subsidiaries （Note 2）
LAN TSE Investment Co., Ltd.	SPRING INVESTMENT LIMITED	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	〃	52,262	52,262	1,500	100.00	25,089	(7,629)	(7,629)	Subsidiaries （Note 2）
SPRING INVESTMENT LIMITED	MARYLAND INVESTMENT LIMITED	Trust Net Chambers, P.O.Box 1225, Apia, Samoa	〃	115,047	115,047	3,500	6.47	4,526	(91,873)	(5,945)	Subsidiaries （Note 2）

Note 1：The company treats the shares held by its subsidiaries as treasury shares, so the investment book amount under the equity method is deducted as the net amount of treasury shares.

Note 2：Investment profits and losses recognized by subsidiaries directly or indirectly.

LAN FA TEXTILE CO., LTD.

Investment Information in China

January 1 to December 31, 2025

Table 5 Unit: NT$ thousands or thousand US dollars

1. The name, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and remitted investment profit and loss of the invested company in China:

Name of the invested company in Chinese xdt&	Main business item	Paid-in capital	Investment method (Note 1)	The amount of accumulated investment remitted from Taiwan at the beginning of current period	Remit or recover the amount of investment in the current period		The amount of accumulated investment remitted from Taiwan at the beginning of current period	Profit and loss of the invested company for the current period	The proportion of shares directly or indirectly invested by the Company	Investment profits and losses recognized for the current period	Method of Recognition (Note 2)	Book value of investment at the end of the period	Investment income remitted back to Taiwan as of the current period
					Remit	Recover							
Hangzhou LAN FA TEXTILE CO., LTD.	Stretch yarn, polyester textured yarn	$1,760,011 (USD54,230)	(2)	$1,687,700 (USD51,587)	$ -	$ -	$1,687,700 (USD51,587)	($ 91,860)	96.30%	($ 88,461)	(2)；2	$ 67,110 (USD 2,135)	$ -

2. Limit for investment in China:

The cumulative amount of investment remitted from Taiwan to China at the end of current period	The Investment Review Board of the Ministry of Economic Affairs approved the amount of investment.	According to the quota of investment in China as stipulated by the Investment Review Board of the Ministry of Economic Affairs
USD51,587	USD51,730	Note 3

Note 1: The investment methods can be divided into the following four types, which can be marked as follows:

(1) To invest companies in China through remittances from the third region.

(2) To set up a company through investment in the third region and re-invest companies in China.

(3) Re-invest companies in China by investing existing companies in the third region.

(4) Other ways of EX: entrusting investment.

Note 2: In the column of investment profit and loss recognized in current period:

(1) If there is no investment profit or loss in preparation, it should be noted.

(2) The basis for the recognition of investment profit and loss is divided into the following three types, which shall be noted.

A. The financial statements audited by the international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.

B. The financial statements audited by accountants of the parent company in Taiwan.

C. Others.

Note 3: According to the revised ”Principles for the Examination of Investment or Technical Cooperation in China ”on August 29, 2008, since the parent company obtained letter No. 11351000720 issued by the Bureau of Industry of the Ministry of Economic Affairs on January 11, 2024, it is in line with the operating scope of the operating headquarters, so there is no need to set up an investment limit.

3. Re-invest companies in China through MARYLAND INVESTMENT LIMITED, a subsidiary of the third region company LAN FA HOLDING LIMITED.