Quintain Steel Co., Ltd.
Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

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Independent Auditors' Report

To the Board of Directors of Quintain Steel Company Ltd.

Opinion

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

In our opinion, based on the audit report of this auditor and other auditor, the accompanying parent company only financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2025 and 2024 and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial statements by Securities Issuers.

Basis for Opinion

We conducted our audit entrusted by the Company in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standard. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company with the Code of Professional Ethics for Certified Public Accountants in the Republic of China and fulfill our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

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

Revenue of goods consignment to others for sale

The main sales revenue of the Company comes from the manufacturing and sales of steel wire and processed products. Partial sales revenue is based on the consignment model which the revenue will be recognized when the consignees make the transaction. This normally involves in the manual reconciliation to ensure the authenticity of sales revenue; therefore, we determine this kind of revenue as the key audit matters.

We focused on inventory net realizable valuation of inventory, and the audit procedures we performed included the following:

1. We understand and test the effectiveness between the design and implementation of internal control which is associated with the authenticity of the preceding specific revenue recognization
2. We select a sample from the preceding specific sales revenue, review the certificate of merchandise and the bank statement of the consignees to check if the revenue really occurs and review the payment collection documents to ensure the parties of receiving payment and the transaction party are consistent.

Other matters

Part of investments accounted for using equity method are audited by other auditor, thus our auditor's opinion on the parent company only financial statements about aforementioned investment amount and its profit or losses are according to other auditor's report, the aforementioned amount were NT$138,161 thousand and NT$219,008 thousand, respectively constituting 1% and 2%, respectively, of total assets for the year ended December 31, 2025 and 2024; and the comprehensive income share using equity method were NT$52,742 thousand in losses and NT$1,786 thousand in gains, constituting 12% and (1%) of total comprehensive income for the year ended December 31, 2025 and 2024, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Individual Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Quintain Steel Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Quintain Steel Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Quintain Steel Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche Engagement partner Hong-Ru Liao	Engagement partner Chang-Chun, Wu
Financial Supervisory Commission Approved-certified No.:Jin-Guan-Certificate No.0990031652	Financial Supervisory Commission Approved-certified No.:Jin-Guan-Certificate No. 1110348898

March 27, 2026

Quintain Steel Co., Ltd

Parent Company Only Balance Sheets

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
CODE	ASSETS	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS				
1100	Cash (Notes 4 and 6)	$ 99,212	1	$ 107,219	1
1110	Financial assets at fair value through profit or loss-current (Notes 4 and 7)	-	-	5,273	-
1120	Financial assets at fair value through other comprehensive income -current (Notes 4 and 8)	448,231	5	604,392	7
1136	Financial assets at amortized cost－current (Notes 4 ,9, and 29)	76,500	1	89,500	1
1150	Notes receivables (Notes 4, 10 and 22)	121,714	1	91,574	1
1170	Accounts receivables (Notes 4, 10 and 22)	134,798	1	192,609	2
1200	Other receivables (Notes 4, 10, 14 and 28)	136,554	1	101,466	1
1220	Other receivables (Notes 4, 10, and 28)	4,542	-	3,918	-
130X	Current tax assets (Notes 4 and 24)	1,150,000	11	1,143,187	12
1470	Other current assets (Notes 16 and 28)	154,424	2	123,179	1
11XX	Total current assets	2,325,975	23	2,462,317	26
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	145,849	1	158,547	2
1535	Financial assets at amortized cost－non-current (Notes 4, 9, and 29)	22,500	-	17,100	-
1550	Investments accounted for using equity method (Notes 4 ,12, and 29)	2,029,339	20	2,106,468	22
1600	Property, plant and equipment (Notes 4, 13 ,28, and 29)	2,651,952	26	2,470,064	26
1755	Right-of-use assets (Notes 4 and 14)	250,032	3	256,785	3
1760	Investment properties, net (Notes 4,15, 28 and 29)	770,800	8	795,511	8
1840	Deferred income tax assets (Notes 4, 5, and 24)	197,803	2	188,543	2
1990	Other non-current assets (Notes 4 and 16)	1,733,322	17	1,105,097	11
15XX	Total non-current assets	7,801,597	77	7,098,115	74
1XXX	TOTAL ASSETS	$ 10,127,572	100	$ 9,560,432	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 17 and 29)	$ 402,160	4	$ 529,128	5
2110	Short-term bills payable (Notes 17 and 29)	1,730,829	17	1,167,619	12
2150	Notes payable (Note 18)	-	-	1	-
2170	Accounts payable (Notes 18 and 28)	6,553	-	7,238	-
2219	Other payables (Notes 18 and 28)	163,958	2	156,114	2
2213	Payables on equipment	6,989	-	51,855	1
2280	Lease liabilities - current (Notes 4 and 14)	52,981	1	51,927	1
2320	Long-term liabilities due within one year (Notes 17 and 29)	44,000	-	192,000	2
2399	Other current liabilities (Notes 19 and 28)	4,463	-	3,644	-
21XX	Total current liabilities	2,411,933	24	2,159,526	23
	NON-CURRENT LIABILITIES				
2540	Long-term bank borrowings (Notes 17 and 29)	2,859,795	28	2,059,436	21
2570	Deferred income tax liabilities (Notes 4 and 24)	2,347	-	2,347	-
2580	Lease liabilities - non-current (Notes 4 and 14)	94,510	1	147,490	2
2640	Net defined benefit liabilities – non-current (Notes 4 and 20)	5,646	-	4,738	-
2645	Guarantee deposit received	13,580	-	13,580	-
2670	Other non-current liabilities (Note 19)	646	-	1,085	-
25XX	Total non-current liabilities	2,976,524	29	2,228,676	23
2XXX	TOTAL LIABILITIES	5,388,457	53	4,388,202	46
	EQUITY (Note 21)				
	Share capital				
3110	Common stock	4,468,747	44	4,468,747	47
3200	Capital surplus	575,758	6	579,374	6
	Retained earnings (accumulated deficit)				
3310	Legal reserve	96,030	1	93,595	1
3320	Special reserve	24,700	-	2,785	-
3350	Unappropriated earnings	(226,840)	(2)	24,350	-
3300	Total retained earnings (accumulated deficit)	(106,110)	(1)	120,730	1
3400	Other equity	70,690	1	271,345	3
3500	Treasury stock	(269,970)	(3)	(267,966)	(3)
3XXX	Total equity	4,739,115	47	5,172,230	54
	Total liabilities and equity	$ 10,127,572	100	$ 9,560,432	100

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

(Please refers to Deloitte & Touche’s report at March 27, 2026)

Chairman: Stanley C.T, Wang Manager: Cheng-Cheng, Shieh Accounting Supervisor: Pi-Shan Hu

Quintain Steel Co., Ltd

Individual Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, except Earnings (Losses) per Share)

		2025		2024	
CODE		AMOUNT	%	AMOUNT	%
4000	OPERATING REVENUE (Notes 4 and 22)	$ 2,167,210	100	$ 2,652,344	100
5000	OPERATING COSTS (Notes 11, 20 and 23)	2,335,699	108	2,695,276	102
5900	GROSS LOSS	(168,489)	(8)	(42,932)	(2)
	OPERATING EXPENSES (Notes 10, 20, 23, and 28)				
6100	Selling and marketing expenses	61,297	3	56,252	2
6200	General and administrative expenses	77,648	3	81,601	3
6300	Research and development expenses	1,654	-	2,239	-
6450	Expected credit losses	775	-	104	-
6000	Total operating expenses	141,374	6	140,196	5
6900	LOSS FROM OPERATIONS	(309,863)	(14)	(183,128)	(7)
	NON-OPERATING REVENUE AND EXPENSES (Notes 23 and 28)				
7100	Interest revenue	4,365	-	3,447	-
7010	Other revenue	24,710	1	18,635	1
7020	Other gains and losses	72,218	4	192,231	7
7070	Share of profit or loss of subsidiaries, and associates	66,749	3	180,255	7
7050	Finance costs	(101,873)	(5)	(78,765)	(3)
7000	Total non-operating revenue and expenses	66,169	3	315,803	12
7900	PROFIT(LOSS) BEFORE INCOME TAX	(243,694)	(11)	132,675	5
7950	Income tax expense (benefit) (Notes 4, 5 and 24)	(4,254)	-	13,190	-
8200	NET INCOME(LOSS) FOR THE YEAR	(239,440)	(11)	119,485	5

CODE		2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
	OTHER COMPREHENSIVE INCOME				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 20)	($ 212)	-	$ 663	-
8316	Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(169,098)	(8)	(160,515)	(6)
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(17,023)	(1)	(184,585)	(7)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or losses (Note 4 and 24)	43	-	(133)	-
8300	Other comprehensive income for the year, net of income tax	(186,290)	(9)	(344,570)	(13)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	($ 425,730)	(20)	($ 225,085)	(8)
	EARNINGS (LOSSES) PER SHARE (Note 25)				
9710	Basic	($ 0.56)		$ 0.28	
9810	Diluted	(0.56)		0.28	

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

(Please refers to Deloitte & Touche's report at March 27, 2026)

Chairman: Stanley C. T, Wang Manager: Cheng-Cheng, Shieh Accounting Supervisor: Pi-Shan Hu

Quintain Steel Co., Ltd
Individual Statements of Changes in Equity
For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

Code		Common Share Capital			Retained Earnings (Accumulated Deficit)			Other Equity				
		Capital Shares (Thousand shares)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated deficit)	Exchange differences on Translating Foreign Operations	Unrealized gains and losses on investments in Equity instruments at fair value through other comprehensive income	Total Other Equity	Treasury Shares	Total Equity
A1	BALANCE, JANUARY 1, 2024	446,875	$ 4,468,747	$ 503,493	$ 93,595	$ 2,785	($ 101,376)	$ 580	$ 625,071	$ 625,651	($ 267,582)	$ 5,325,313
C7	Changes in associates accounted for using equity method	-	-	(88)	-	-	(354)	-	-	-	-	(442)
M1	Disposal of investments accounted for using equity method by subsidiaries	-	-	-	-	-	16	-	(16)	(16)	-	-
O1	Disposal of investments in equity instruments at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	8,517	-	(8,517)	(8,517)	-	-
M3	Disposal of investments accounted for using equity method (Note 12)	-	-	-	-	-	95	-	(95)	(95)	-	-
M5	Acquisition and disposal of partial equity of subsidiary	-	-	(227)	-	-	(2,021)	-	-	-	-	(2,248)
M7	Changes in ownership of interest in subsidiaries (Note 12)	-	-	76,196	-	-	(1,120)	-	-	-	-	75,076
L5	Acquisition of parent company shares by subsidiary as treasury stock transactions	-	-	-	-	-	-	-	-	-	(384)	(384)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	-	119,485	-	-	-	-	119,485
D3	Other comprehensive income for the year ended December 31, 2024, after tax	-	-	-	-	-	1,108	-	(345,678)	(345,678)	-	(344,570)
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	120,593	-	(345,678)	(345,678)	-	(225,085)
Z1	BALANCE AT DECEMBER 31, 2024	446,875	4,468,747	579,374	93,595	2,785	24,350	580	270,765	271,345	(267,966)	5,172,230
O1	Disposal of investments in equity instruments at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	14,039	-	(14,039)	(14,039)	-	-
	2024 Earnings appropriation and distribution (Note 21)											
B1	Legal reserve	-	-	-	2,435	-	(2,435)	-	-	-	-	-
B3	Special reserve	-	-	-	-	21,915	(21,915)	-	-	-	-	-
M5	Acquisition and disposal of partial equity of subsidiary	-	-	(3,616)	-	-	(1,765)	-	-	-	-	(5,381)
L5	Acquisition of parent company shares by subsidiary as treasury stock transactions	-	-	-	-	-	-	-	-	-	(2,004)	(2,004)
D1	Net loss for the year ended December 31, 2025	-	-	-	-	-	(239,440)	-	-	-	-	(239,440)
D3	Other comprehensive income for the year ended December 31, 2025, after tax	-	-	-	-	-	326	-	(186,616)	(186,616)	-	(186,290)
D5	Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	(239,114)	-	(186,616)	(186,616)	-	(425,730)
Z1	BALANCE AT DECEMBER 31, 2025	446,875	$ 4,468,747	$ 575,758	$ 96,030	$ 24,700	($ 226,840)	$ 580	$ 70,110	$ 70,690	($ 269,970)	$ 4,739,115

The accompanying notes are an integral part of these financial statements.
(Please refers to Deloitte & Touche's report at March 27, 2026)

Chairman: Stanley C. T, Wang Manager: Cheng-Cheng, Shieh Accounting Supervisor: Pi-Shan Hu

Quintain Steel Co., Ltd

Individual Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

CODE		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit(losses) before income tax	($ 243,694)	$ 132,675
A20010	Adjustments for：		
A20100	Depreciation expense	128,176	120,834
A20300	Expected credit impairment loss	775	104
A20400	Net gain on financial assets at fair value through profit or loss	(261)	(775)
A21200	Interest income	(4,365)	(3,447)
A21300	Dividend income	(3,128)	(4,548)
A22400	Share of profit or loss of subsidiaries and associates accounted for using equity method	(66,749)	(180,255)
A20900	Finance costs	101,873	78,765
A23700	Loss for market price decline and obsolete and slow-moving inventories (reversal gain)	44,174	(32,099)
A22500	Loss (gain) on disposal of property, plant and equipment	(16,705)	833
A22700	Gain on disposal of investment properties	(64,681)	-
A23200	Gain on disposal of investments accounted for using equity method	-	(199,285)
A24100	Net loss (gain) on foreign currency exchange	(275)	7,296
A30000	Net changes in operating assets and liabilities:		
A31130	Notes receivables	19,149	54,039
A31150	Accounts receivables	57,036	(73,635)
A31180	Other receivables	1,834	(4,441)
A31200	Inventories	(50,987)	(158,578)
A31240	Other current assets	(31,245)	(40,640)
A32130	Notes payables	(1)	1
A32150	Accounts payables	(685)	1,577
A32180	Other payables	7,844	1,156
A32230	Other current liabilities	819	(14,829)
A32240	Net defined benefit liabilities	696	(1,700)
A32200	Provision	(439)	76
A33000	Cash generated used in operations	(120,839)	(316,876)
A33500	Income tax paid	(5,587)	(11,317)
AAAA	Net cash used in operating activities	(126,426)	(328,193)
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(239)	(276,194)
B00030	Refund of capital reduction from financial assets at fair value through other comprehensive income	-	128
B00200	Sales of financial assets at fair value through profit or loss	5,534	4,122

CODE		2025	2024
B00040	Acquisition of financial assets at amortized cost	($ 5,400)	($ 4,100)
B00050	Disposal of financial assets at amortized cost	13,000	3,000
B01800	Acquisition of associates	-	(6,375)
B02700	Acquisition of property, plant and equipment	(168,361)	(173,524)
B02800	Proceeds from disposal of property, plant and equity	28,124	2,367
B03700	Increase in guaranteed deposits paid	(29,675)	(1,470)
B03800	Decrease in guaranteed deposits paid	-	1,660
B04400	Increase in other receivables	(39,000)	(52,500)
B05400	Acquisition of investment properties	(288)	(252)
B05500	Proceeds from disposal of investment properties	20,872	-
B06700	Increase in other non-current assets	(2,366)	-
B06800	Decrease in other non-current assets	-	387
B07100	Increase in prepayments for equipment	(767,900)	(789,725)
B07500	Interest received	6,443	1,589
B07600	Dividend received	122,598	121,881
BBBB	Net cash used in investing activities	(816,658)	(1,169,006)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	2,241,109	2,250,435
C00200	Decrease in short-term borrowings	(2,369,777)	(2,045,963)
C00500	Increase in short-term bills payable	12,075,000	7,360,000
C00600	Decrease in short-term bills payable	(11,510,000)	(6,890,000)
C01600	Increase in long-term borrowings	9,089,517	3,194,688
C01700	Repayments of long-term borrowings	(8,410,511)	(2,293,724)
C04020	Repayment of principal of lease liabilities	(55,693)	(21,505)
C05600	Interest paid	(124,568)	(68,092)
CCCC	Net cash flows generated from financing activities	935,077	1,485,839
EEEE	NET DECREASE IN CASH	(8,007)	(11,360)
E00100	CASH AT THE BEGINNING OF THE YEAR	107,219	118,579
E00200	CASH, END OF YEAR	$ 99,212	$ 107,219

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

(Please refers to Deloitte & Touche’s report at March 27, 2026)

Chief of Board：Stanley C. T, Wang　　Manager：Cheng-Cheng, Shieh　　Accounting Manager：Pi-Shan Hu

Quintain Steel Co., Ltd. and Subsidiaries
NOTES TO INDIVIDAUAL FINANCIAL STATEMENTS
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)
For the years ended December 31, 2025 and 2024

1. GENERAL INFORMATION

Quintain Steel Co., LTD. (The Company) was founded in July, 1973, the original name was Chia Yi industry Corporation and was changed to current name in July, 2006. The Company focuses on sales and production of deformed bar in oil, spheroidized wire, galvanized wire, screws, and black iron wire.

In November 1992, Quintain Steel Co., LTD. became a publicly-listed company.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s Board of Directors and authorized for issue on March 27, 2026.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The adoption of the amendments to IFRSs approved and issued by the FSC will not significantly affect the Company’s accounting policies.

(2) The IFRS accounting standards endorsed by the FSC for application starting from 2026.

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to 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 amendments in 2020 and 2021)	January 1, 2023

As of the date the parent company only financial statements are approved for issue, the Company assessed that the amendments to the other standards would not have a significant impact on the financial position and financial performance.

(3) IASB has issued but has not yet been approved by the FSC and issued effective IFRS accounting standards

New, Revised, or Amended Standards or Interpretations	Effective date per IASB (Note)
Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undecided
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the amendments in 2025)	January 1, 2027
Amendments to IAS21 "The Effects of Changes in Foreign Exchange Rates"	January 1, 2027

Note 1: Unless stated otherwise, the above new, amended or revised IFRS standards are effective for annual periods beginning on or after their respective effective dates.

Note 2: The FSC has declared on September 25, 2025 that entities in Taiwan shall apply IFRS 18 since January 1, 2028, or elect to apply in advance after FSC endorses IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and relevant supporting amendments

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1. The primary changes include:

- The Company shall evaluate whether it invests in particular type of assets and provides financing to customers as a specific main business activity, and classify items in the statement of profit or loss into categories: operating, investing, financing, income taxes and discontinued operations accordingly.
- Operating profit or loss, profit or loss before financing and income taxes, and subtotal and total of profit or loss shall be presented in the statements of profit or loss.
- Providing enhanced guidance on the principles of aggregation and disaggregation: the Company shall identify assets, liabilities, equity, income, expenses, and cash flows from single transactions or other matters, and group and aggregate based on shared characteristics, to make each line item of the primary financial statements with at last one similar characteristic. Items with different characteristics shall be disaggregated in the primary financial statements and notes. Only if the Company is unable to find a more informative name, the item may be labelled as "others."
- New disclosure requirements for management-defined performance measures (MPMs): the Company shall disclose the information related to management-defined performance measures in a single note in the financial statements, including descriptions to the measures, how to calculate, a reconciliation between the MPMs and the most similar specified subtotal in IFRS Accounting Standards, and the effects on income taxes and non-controlling interests arising from relevant reconciliation items. when making public

communications outside the financial statements, and communicating an aspect of the financial performance of the Company as a whole.

In addition, IAS 7 “Statement of Cash Flows” was amended by the supporting measures:

- When the Company prepare the cash flows from operating activities by indirect method, operating profit or loss shall be used as the starting point.
- The Company shall classify interests and dividends received to investing activities, and interests and dividends paid to financing activities. If the Company has specified main operating activities after assessment, the types of dividend income, interest income and interest expenses in the statement of profit or loss shall be considered, to determine the categories of the dividends received, interests received, and interests paid in the statement of cash flows. However, the aforementioned each cash flow can be classified in a single activity in the statement of cash flows separately.

Except for the aforementioned impacts, as of the date the parent company only financial statements are issued, the Company is continuously assessing the other impact that the application of each standard and interpretation will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

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

(2) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements.

(3) Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
3) The Company does not have the substantive right at the balance sheet date to defer settlement of the liability for at least twelve months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

(5) Inventories

Inventories consist of raw materials, supplies, finished goods, work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving average cost.

(6) Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss. When the Company acquires a subsidiary that does not constitute a business, the Company appropriately allocates the cost of acquisition to the Company's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

(7) Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate and joint venture. The Company also recognizes the changes in the equity of associates and joint venture attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company’s share of losses of an associate and a joint venture equal or exceeds the Company’s interest in that associate and joint venture (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company’s net investment in the associate and joint venture), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with it carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate and the joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. In addition, The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and the joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

(8) Property, Plant and Equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties shall be measured by the cost or net realizable value whichever lower before they are ready for intended use and their sales price and cost are recognized as the profit or loss. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Land shall not be depreciated. Each significant component of other property, plant and equipment shall be separately depreciated over estimated useful life by straight-line method. The residual value and the useful life of an item of property, plant, and equipment shall be reviewed at least at each financial year-end, and the changes in accounting estimate values shall be applied prospectively.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(9) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(10) Impairment of property, plant and equipment, right-of-use assets and intangible assets (except goodwill)

At the end of each reporting period, the Company and its subsidiaries review the carrying amounts of their property, plant and equipment, right-of-use assets and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than it carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized when the Company and its subsidiaries become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, investments in equity instruments at FVTOCI, and financial assets at amortized cost.

i. Financial asset at FVTPL

Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. For determination of fair value please refer to Note (27).

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable (including related parties) at amortized cost, other receivables (including related parties), guaranteed deposits paid and other financial assets, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except in the following status:

i) Purchased or originated credit-impaired financial asset, Interest income is calculated by applying the credit-adjusted effective interest rate to the financial assets at amortized cost.

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

For credit impairment financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for those financial assets because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) at the end of each reporting period and measure the impairment loss of equity instrument investment at fair value through the comprehensive profit and loss.

The Company always recognizes lifetime expected credit losses (i.e., ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of internal credit risk management, the Company determines the below situations as the default of financial assets without taking the collateral into account:

A. There is an internal or external information which shows the debtor has not been able to pay off the debt.

B. Overdue is more than 90 days and except there is a reasonable and corroborative information which shows that the delayed default benchmark is more appropriate.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.
comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

eived.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an equity instrument investment measured by fair value through the comprehensive profit and loss in its entirety, the accumulative profit and loss is directly transferred to retained earnings, and not reclassified as profit and loss.
earnings, and not reclassified as profit and loss.
s, and not reclassified as profit and loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(12) Revenue recognition

The Company and its subsidiaries identify the contract with the customers, allocate the transaction price to the performance obligations, and recognize revenue when performance obligations are satisfied.

(13) Leases

At the inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease.

1) The Company and its subsidiaries as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Company and its subsidiaries assess the classification of each element respectively as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Company and its subsidiaries. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for respectively in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

Except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets, which comprise the initial measurement of lease liabilities, are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that - 24 - decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the consolidate balance sheets.

(14) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all borrowing costs are recognized in profit or loss in the year in which they are incurred.

(15) Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the

Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

(16) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company and its subsidiaries' income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, loss carryforwards, and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year
Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.
When the Company develops significant estimate values, the management takes into consideration of significant estimates associated with cash flow forecast, growth rate, discount rate, profitability, and will keep assessing estimates and basic assumptions .

Key sources of estimation uncertainty

(1) Net realizable value
Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, the estimated costs are based on current market situation and sales history of similar products, changes of market may significantly affect the estimation.

(2) Income tax

For the year ended December 31, 2025 and 2024, carrying amount of deferred income tax assets related to unused tax losses were NT$197,803 thousand and NT$188,543 thousand respectively, Company's operating losses carryforwards and the deductible temporary differences not recognized as deferred income tax for the year ended December 31, 2025 and 2024 were NT$201,975 thousand and NT$290,888 thousand, respectively, realizability of deferred income tax assets is based on sufficiency of future benefit or taxable temporary differences. Significant reverses of deferred income tax assets may arise if future profit does not exceed estimation, the reverses are recognized as profit or loss at the year incurred.

6. CASH

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 94	$ 153
Checking accounts and demand deposits	99,118	107,066
	$ 99,212	$ 107,219

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2025	December 31, 2024
Financial assets - current		
Mandatorily measured at fair value through profit and loss		
Non-derivative financial assets		
Beneficiary certificates of investment fund	$ -	$ 5,273

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2025	December 31, 2024
Current		
Domestic investments		
Listed shares－Ordinary shares		
CHIEN SHING STAINLESS STEEL CO., LTD.	$ 154,959	$ 228,673
Luxe Green Energy Technology Co., Ltd.	292,689	375,202
OTC shares－ordinary shares		
Concord Securities Co. Ltd.	583	517
	$ 448,231	$ 604,392
Non-current		
Domestic investments		
Non-listed shares － ordinary shares		
PaLiDu investment develop.	$ 62,803	$ 72,708
MinChi Co. (Note)	44,266	46,419
Tung Mung Development Co., Ltd.	12,096	12,540
Wan Chiuan Construction Co., Ltd.	26,684	26,880
	$ 145,849	$ 158,547

Note: In order to expand the business positions of catering business, the Company signed contract of 55% share transaction with MinChi Co. Ltd (MinChi Co.)'s former shareholder - Tseng, Chun-Shin of, at total amount NT$77,000 thousand for expanding operation point of catering business, the Company successively transferred shares from August to October, 2018 and paid NT$38,000 thousand (including NT$5,000 thousand by which the Company has paid below, recognized by the Supreme Court). In addition, the Company has paid NT$11,500 thousand for the shares in December 2022 in accordance with the judgement of the Supreme Court (details as follows). Since Tseng, Chun-Shin did not deliver account book, certificate, financial statements and Land ownership certificate, the Company rejected former shareholder Tseng, Chun-Shin's request to pay the outstanding shares of MinChi Co. of NT$27,500 thousand (recognized as other payable).So far, Taiwan Tainan District Court issued a verdict of the first instance on May 22, 2020 that the Company should pay the third installment of NT$16,500 thousand plus annual interest rate at 5% from October 16, 2018 to the settlement date to the former shareholder Tseng, Chun-Shin. In response to the Tainan District Court's first-instance judgment, the Company has filed the appeal again which has been rejected by the Taiwan High Court Tainan Branch Court on June 30, 2022; however, the Company believes that there are many irregularities, and have appointed a lawyer to file a third instance appeal on June 2, 2022 to protect the legal rights and interests of the Company. On December 15, 2022, the Supreme Court remained the first instance judgement which the Company shall pay Tseng, Chun-Shin NT$11,500 thousand of interest. Furthermore, the Supreme Court determined that the Company had paid NT$5,000 thousand; nevertheless, the second instance judgement did not deduct it and rejected the appeal of this part which was apparently wrong; therefore, the Supreme Court remanded it back to Taiwan High Court Tainan Branch Court for continuing adjudicating the case. The remanded part has been withdrawn by Tseng, Chun-Shin in the second trial. The case is closed, and there is no effect on the Company's financial condition.

Moreover, the former shareholder Tseng, Chun-Shin of MinChi Co. Ltd has brought a lawsuit for requesting the Company to pay for share transfer of 4th to 6th installment on January 19, 2023. This is under adjudication as the 2023 Zon Su Zi No. 18 by the Tainan District Court. The court has decided in favor of the Company on September 13, 2023. However, the former shareholder, Tseng, Chun-Shin, appealed for the second trial. This is under adjudication as the 2023 Zon Shang Zi No. 131 by the Tainan District Court, and the former shareholder, Tseng, Chun-Shin's appeal has been appealed on May 29, 2024. As of the date of the financial statements are issued on August 13, 2024, we haven't received the notice of appeal. Nevertheless, as the unpaid amount for share purchase has already been recorded, there was no financial impact on the Company.

As of the date the financial statements were issued, the former shareholder of MinChi Co., Tseng, Chun-Shin, has not delivered MinChi Co.'s account books, bookkeeping vouchers, financial statements, and land ownership certificate in accordance with the contract, and the second priority mortgage hasn't been cancelled. The Company will pay the fourth to the sixth installments for the shares amounting to NT$27,500 thousand (recognized as other payables) after the aforementioned payment requirements are completed. And due to the aforementioned conditions, the Company faced significant financial barrier during right execution, which caused inability to understand financial situation and direct MinChi Co., thus, the Company could not control financial status and operation activities of MinChi Co. Managements recognizes MinChi Co. as financial asset at fair value through other comprehensive profit or loss instead of a consolidated entity included in consolidated financial statement based on the consideration of lack of controlling power on MinChi Co. The Company sold 36% of MinChi Co. share to non-related parties Hsu, Min-de and Hu, Chun-Hao in December 2018, disposal amount is NT$50,400 thousand, disposal gain or loss is zero. The above-mentioned disposal gains or loss has been collected in full before the end of September, 2021.

The Company invests common share of aforementioned company on medium-long-term strategy and expects to make profit through long-term investment. Management level of Quintain Steel Group thinks inconsistency may arise from recognizing short term fair value fluctuation as profit or loss, thus designate the investment to be measured at fair value through other comprehensive profit and loss.

9. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	December 31, 2025	December 31, 2024
Current		
Domestic investments		
Pledged demand deposit	$ 76,500	$ 89,500
Non-current		
Domestic investments		
Pledged demand deposits	$ 22,500	$ 17,100

For pledged financial assets measured at amortized cost information, please refer to Note 29.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

	December 31, 2025	December 31, 2024
Notes receivable		
Carrying amount measured at amortized cost		
-Arise from operation	$ 72,425	$ 91,574
-Note arise from operation – sales of investment properties	49,289	-
	$ 121,714	$ 91,574
Accounts receivable		
Carrying amount measured at amortized cost	$ 135,849	$ 192,885
Less：allowance for losses	1,051	276
	$ 134,798	$ 192,609
Other receivable		
Short-term borrowing– related parties	$ 130,000	$ 91,000
Receivables from related parties	3,039	5,216
Others	3,515	5,250
	$ 136,554	$ 101,466

The Company's average credit period of product sales are 10 days to 45 days, accounts receivable is zero interest. Quintain Steel Group evaluates its clients with financial information in public and historical transaction records. Quintain Steel Group consistently monitors credit exposure and risk levels of counterparties, and reviews line of credit annually.

To ease credit risk, the Company designates team in responsible for line of credit determination, credit approval and other monitor procedure to ensure that proper activities for accounts receivable recovering are taken. Moreover, Quintain Steel Group reviews recoverable payment of account receivables one by one on balance sheet day to make sure that unrecoverable payment receivable has recorded appropriate impairment losses. Thus, Management level of Quintain Steel Group think credit risks are significantly decreased.

The Company recognizes allowance for losses of payment receivable in accordance to lifetime expected credit losses which are calculated by reserve matrix. Lifetime expected credit losses consider customers' default records, financial situation of the year, prediction on GDP, industry economic situation and prospect. According to the Company's credit loss historical experience, there are no significant differences on loss types between different client groups, thus reserve matrix does not further differentiate client groups, only determines anticipated rate of credit loss with accounts receivable overdue day.

If there's any evidence shows that counterparties of transaction are facing financial difficulties, and the Company could not reasonably anticipate recoverable amount, such as liquidation undergoing, the Company directly writes off relevant receivable amounts, but keeps recourse activities, and the amounts recovered from recourse are recognized as profit or loss.

The allowance for losses measured by reserve matrix were as follows:

December 31, 2025

	Counterparty of transaction with no sign of default					Counterparty of transaction with sign of default	Total
	Not overdue	Overdue 1~60 days	Overdue 61~90 days	Overdue 91~120 days	Overdue 121~365 days		
Rate of anticipated credit loss	0.1%	0%	100%	0%	0%	100%	
Total carrying amount	$ 256,869	$ -	$ 694	$ -	$ -	$ -	$ 257,563
Allowance for loss (lifetime expected credit losses)	(357)	-	(694)	-	-	-	(1,051)
Amortized costs	$ 256,512	$ -	$ -	$ -	$ -	$ -	$ 256,512

December 31, 2024

	Counterparty of transaction with no sign of default					Counterparty of transaction with sign of default	Total
	Not overdue	Overdue 1~60 days	Overdue 61~90 days	Overdue 91~120 days	Overdue 121~365 days		
Rate of anticipated credit loss	0.1%	0%	0%	0%	0%	0%	
Total carrying amount	$ 284,459	$ -	$ -	$ -	$ -	$ -	$ 284,459
Allowance for loss (lifetime expected credit losses)	(276)	-	-	-	-	-	(276)
Amortized costs	$ 284,183	$ -	$ -	$ -	$ -	$ -	$ 284,183

Changes of allowance for account receivable loss are as follows:

	2025	2024
Balance at the beginning of the year	$ 276	$ 172
Add：provision in the year	775	104
Balance at the end of the year	$ 1,051	$ 276

11. INVENTORY

	December 31, 2025	December 31, 2024
Finished good	$ 142,434	$ 68,343
Work in Process	148,120	132,834
Material	667,620	654,626
Inventory in transit	191,826	287,384
	$ 1,150,000	$ 1,143,187

Costs of goods sold relevant to inventory for the year ended December 31, 2025 and 2024 were NT$2,296,698 thousand and NT$2,637,295 thousand, respectively. Costs of goods sold for the years ended December 31, 2025 and 2024 included inventory valuation losses of NT$44,174 thousand and reversal gains on inventory valuation of NT$32,099 thousand, respectively. Reversal gains on inventory valuation resulted from the increase in market sales price.

12. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

	December 31, 2025	December 31, 2024
Subsidiaries	$ 1,438,830	$ 1,482,856
Associates	590,509	623,612
	$ 2,029,339	$ 2,106,468

(1) Subsidiary

	December 31, 2025	December 31, 2024
Non-listed company		
Quintain Investment Develop Co.	$ 1,381,206	$ 1,376,481
Chateau Investment Co.	50,879	50,918
Chia Yuan Investment Development Co.	135,658	169,946
Chateau Rich Hotel Co.	141,057	153,477
	1,708,800	1,750,822
Less：Shares held by subsidiaries as treasury shares	269,970	267,966
	$ 1,438,830	$ 1,482,856

	% of Ownership and Voting Rights Held by Quintain Steel Group	
Subsidiary	December 31, 2025	December 31, 2024
Quintain Investment Develop Co.	100%	100%
Chateau Investment Co.	100%	100%
Chia Yuan	95.97%	95.97%

Investment Development Co.		
Chateau Rich Hotel Co.	37.37%	37.37%

For statement and relevant explanations on subsidiaries held indirectly by the Company, please refer to Note 12 and Table 4 in the consolidated financial statements for the year ended December 31, 2025.

For the year ended December 31, 2025 and 2024, subsidiaries accounted for using equity method, and the shares of profit or loss and other comprehensive income of subsidiaries owned by the Company are recognized in accordance with each subsidiary's financial statements audited by accountants in the same period.

(2) Investments in Associates

	2025	2024
Significant associates		
Non-listed company		
Fung Shan Co.	$ 532,119	$ 542,289
Individual insignificant associates		
Non-listed company		
Kun Bao Co.	37,720	42,869
Castleapplied Co.	20,670	38,454
	58,390	81,323
	$ 590,509	$ 623,612

a) Significant associates

	% of Ownership and Voting Rights Held by Quintain Steel Co.	
Associates	December 31, 2025	December 31, 2024
Fong Shan Co.	45.19%	45.19%

The following aggregate financial information is prepared by the consolidated financial statements of associates in accordance with IFRS accounting standards and reflects the adjustments using equity method:

b)

Fong Shan Co.

	December 31, 2025	December 31, 2024
Current assets	$ 1,268,264	$ 1,501,075
Non-current assets	2,154,140	1,892,307
Current liabilities	(1,717,611)	(1,788,025)
Non-current liabilities	(527,394)	(405,456)
Equity	$ 1,177,399	$ 1,199,901
% shares held by the Company		
Equity owned by Company	45.19%	45.19%
Equity owned by the Company	$ 532,119	$ 542,289
Carrying amount of investment	$ 532,119	$ 542,289

	2025	2024
Operating income	$ 4,617,107	$ 4,627,840
Net profit of current year	$ 234,441	$ 293,129
Other comprehensive income	1,057	1,456
Total comprehensive income	$ 235,498	$ 294,585
Dividend paid by Fong Shan Co.	$ 116,601	$ 113,890

c) Individual insignificant associates

	2025	2024
Shares owned by the Company		
Net loss of current year	($ 14,511)	($ 9,224)
Other comprehensive profit and loss	(5,553)	(9,410)
Total comprehensive profit and loss	($ 20,064)	($ 18,634)

As the Company serves as the director of Luxe Green Energy Technology Co., Ltd. since June 21, 2022, and has significant impact on it, the Company recognized it as investments accounted for using equity method. However, as the Company resigned as the director of Luxe Green Energy Technology Co., Ltd. in February 2024 and lost significant impact on it. The fair value of the residual 10.04% of the equity amounted to NT$469,323 thousand as of the date when the Company lost significant impact, which has been changed to be financial assets at fair value through other comprehensive income. Gains and losses arising from the transaction recognized in profit or loss are calculated as follows:

	Amount
Fair value of the residual investment (10.04%)	$ 469,323
Less: carrying amount of the investment as of the date that the Company lost significant impact	(270,038)
Add: share of other comprehensive income of associates accounted for using equity method	95
Gains recognized (of which, NT$199,285 thousand is recognized under other gains and losses, the other NT$95 thousand is recognized under retained earnings.)	$ 199,380

For main business, principal place of business and country of incorporation of aforementioned associate information please refer to Table (4).

Associates using equity method and shares of profit and loss and other comprehensive income owned by the Company for the year ended December 31, 2025 and 2024 are recognized on financial statement of associates in the same term audited by auditor.

Information about pledged investments in associates please refer to Note 29.

13. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2025	December 31, 2024
Owner－occupied	$ 2,578,250	$ 2,386,921
Operating lease	73,702	83,143
	$ 2,651,952	$ 2,470,064

(1) Owner－occupied

Table of property, plant and equipment changes please refer to Table (5)
Depreciations are measured on a straight-line basis over the following useful lives:

Land improvements	3 to 50 years
Building	
Main structure	30 to 55 years
Office and other buildings	2 to 50 years
Machinery equipment	2 to 35 years
Transportation equipment	3 to 6 years
Office equipment	2 to 20 years
Lease improvement	17 years
Other equipment	2 to 35 years

(2) Operating lease

	Machinery equipment	Other equipment	Total
Cost			
Balance at January 1, 2025	$ 2,555,273	$ 234,520	$ 2,789,793
Additions	-	364	364
Balance at December 31, 2025	$ 2,555,273	$ 234,884	$ 2,790,157
Accumulated depreciation			
Balance at January 1, 2025	$ 2,474,560	$ 232,090	$ 2,706,650
Depreciation expenses	8,748	1,057	9,805
Balance at December 31, 2025	$ 2,483,308	$ 233,147	$ 2,716,455
Net amount at December 31, 2025	$ 71,965	$ 1,737	$ 73,702
Cost			
Balance at January 1, 2024	$ 2,554,973	$ 234,520	$ 2,789,493
Additions	300	-	300
Balance at December 31, 2024	$ 2,555,273	$ 234,520	$ 2,789,793
Accumulated depreciation			
Balance at January 1, 2024	$ 2,464,695	$ 230,203	$ 2,694,898
Depreciation expense	9,865	1,887	11,752
Balance at December 31, 2024	$ 2,474,560	$ 232,090	$ 2,706,650
Net amount at December 31, 2024	$ 80,713	$ 2,430	$ 83,143

Quintain Steel Group has been leasing rolling factory land (transfer to investment property), plant (transfer to investment property), machinery and other equipment’s for operating purpose since November 1, 2020, the lease period is 10 years. The lease period has been extended by 10 years to be 20 years in total by signing a supplementary contract on November 3, 2023. However, the 10-year supplementary contract signed on November 3, 2023 has been cancelled by another supplementary contract signed on May 19, 2025 to remain the total lease period of 10 years in the original contract. The rental is calculated based on the rational rental estimated by the appraisal report acquired in June 2020 and adjusted in accordance with the lease contract. The rental is collected on a monthly basis. The leases have no right to purchase the asset at the end of lease period.

Total receivable of lease payments receivable are as follows:

	December 31, 2025	December 31, 2024
First year	$ 37,500	$ 149,000
Second year	-	144,000
Third year	-	144,000
Fourth year	-	144,000
Fifth year	-	144,000
Over 5 years	-	1,380,000
	$ 37,500	$ 2,105,000

The Company planned to convene a board meeting on March 27, 2026 to propose and review the termination of the lease contract of the rolling factory, and authorize the relevant officers to sign the contract termination agreements and handle the relevant operations in accordance with the contract termination conditions after the resolution of the board of directors, to guarantee the smooth completion of the item.

The Company recognizes depreciation of leasing property, plant and equipment on a straight-line basis over the following useful lives:

Machinery equipment	
Rolling equipment	20 years
Lapping machine	20 years
Reheating furnace	25 years
Other	2 to 20 years
Other equipment	2 to 26 years

(3) Information about pledged property, plant and equipment please refer to Note 29.

14. LEASE ARRANGEMENTS

(1) Right-of-use assets

	December 31, 2025	December 31, 2024
Right－of－use assets carrying amount		
Land	$ 237,425	$ 242,461
Buildings	10,068	10,371
Transportation equipment	2,539	3,953
	$ 250,032	$ 256,785

	2025	2024
Additions to right-of-use assets	$ -	$ 4,864
Depreciation charge for right-of-use assets		
Land	$ 5,036	$ 5,022
Buildings	303	296
Transportation equipment	1,414	1,775
	$ 6,753	$ 7,093

In addition to the additions and the recognized depreciation expense, the right-of-use assets of Company has no significant sublease and impairment in 2025 and 2024.

(2) Lease liabilities

	December 31, 2025	December 31, 2024
Lease liabilities carrying amount		
Current	$ 52,981	$ 51,927
Non-current	$ 94,510	$ 147,490

Discount rates of lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Land	2.08%~2.98%	2.08%~2.98%
Buildings	2.35%~3.2%	2.35%~3.2%
Transportation equipment	3.19%~3.61%	2.08%~3.61%

(3) Material lease activities and terms

The Company leases the above transportation equipment at leasing terms for 2~3 years.
The Company also leases several land and buildings for office and operation purpose at leasing term for 20~50 years and 5~40 years, respectively.

(4) Other lease information

	2025	2024
Expenses for short-term leases	$ 14,093	$ 9,054
Total cash outflow for leases	$ 70,145	$ 30,798

For land and buildings which qualify as short-term leases and some office and equipment which qualify as low-value asset leases, the Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	December 31, 2025	December 31, 2024
Land	$ 664,853	$ 670,333
Buildings	594,265	591,387
	1,259,118	1,261,720
Less：Accumulated depreciation	488,318	466,209
	$ 770,800	$ 795,511

Changes of investment property are as follows:

	Land	Buildings	Total
Costs			
Balance at January 1, 2025	$67	$ 591,387	$ 1,261,720
Additions	-	288	288
Disposals	(5,480)	-	(5,480)
Reclassification	-	2,590	2,590
Balance at December 31, 2025	$ 664,853	$ 594,265	$ 1,259,118
Accumulated depreciation and impairment			
Balance at January 1, 2025	$ -	$ 466,209	$ 466,209
Depreciation expense	-	22,109	22,109
Balance at December 31, 2025	$ -	$ 488,318	$ 488,318
Net amount at December 31, 2025	$ 664,853	$ 105,947	$ 770,800
Costs			
Balance at January 1, 2024	$ 670,333	$ 588,869	$ 1,259,202
Additions	-	252	252
Reclassification	-	2,266	2,266
Balance at December 31, 2024	$ 670,333	$ 591,387	$ 1,261,720
Accumulated depreciation and impairment			
Balance at January 1, 2024	$ -	$ 443,970	$ 443,970
Depreciation expense	-	22,239	22,239
Balance at December 31, 2024	$ -	$ 466,209	$ 466,209
Net amount at December 31, 2024	$ 670,333	$ 125,178	$ 795,511

Investment property is depreciated on a straight-line basis over the following useful lives:

Buildings and Constructions	
Main constructions	30 to 55 years
Affiliated equipment and renovation	5 to 30 years

The fair value of investment property of the Company is measured by the evaluation conducted by an independent appraiser company, Evermore Evaluation Office by level 3 inputs at each balance sheet date and measured by the management of the Company by adopting valuations models usually used by market participants. The aforementioned valuations referred to the market evidences of transaction prices of similar real estates. The fair values are as follows:

	December 31, 2025	December 31, 2024
Fai value	$ 3,330,266	$ 3,378,741

For the amount of investment property set as a guarantee for borrowing, please refer to Note 29.

16. OTHER ASSETS

	December 31, 2025	December 31, 2024
Current		
Advanced payments	$ 45,187	$ 36,675
Advanced payment of goods	124	12,482
Offset against business tax payable	93,956	57,679
Payment on behalf of others	15,157	16,343
	$ 154,424	$ 123,179
Non-current		
Prepayments for equipment	$ 1,614,686	$ 1,018,502
Guaranteed deposits paid	113,575	83,900
Other	5,061	2,695
	$ 1,733,322	$ 1,105,097

17. BORROWINGS

(1) Short-term borrowings

	December 31, 2025	December 31, 2024
Secured loans (Note 29)		
Loans for purchasing materials	$ 122,160	$ 399,128
Working capital loan	280,000	130,000
	$ 402,160	$ 529,128
Annual interest rate		
Loans for purchasing materials	4.85%~5.35%	5.29%~6.51%
Working capital loan	2.08%~2.28%	2.19%~2.26%

(2) Short-term bills payable (Note 29)

	December 31, 2025	December 31, 2024
Commercial paper payable	$ 1,735,000	$ 1,170,000
Less：Discount on short-term bill payable	4,171	2,381
	$ 1,730,829	$ 1,167,619
Annual interest rate	2.20%~2.62%	2.20%~2.42%

(3) Long-term borrowings

	December 31, 2025	December 31, 2024
The Company		
Syndicated bank loans - 2024 (Note 29)		
Type A, effective annual interest rates at 2.82% as of December 31, 2025	$ 550,000	$ -
Type B, effective annual interest rates at 2.64%~5.17% as of December 31, 2025	365,635	-
Type C, effective annual interest rates at 2.82% as of December 31, 2025	2,020,000	-
Syndicated bank loans - 2022 (Note 29)		
Type A, effective annual interest rates at 2.60%, as of December 31, 2024	-	688,000
Type C, effective annual interest rates at 6.13% as of December 31, 2024	-	240,604
Type D, effective annual interest rates at 2.59%~2.61% as of December 31, 2024	-	1,330,000
	2,935,635	2,258,604
Less: handling charge of the syndicated loans	$ 31,840	$ 7,168
	2,903,795	2,251,436
Less: current portion	44,000	192,000
	$ 2,859,795	$ 2,059,436

The Company signed a syndicated secured loan contract, amounting to NT$7,600,000 thousand, with the group of syndicated loan banks on December 18, 2024. The purposes of the loans are repayments and replacements of existing borrowings, building energy storage system and procurement of relevant auxiliary equipment, procurement of machinery equipment, building engineering, working capital for procurement of materials, and enhancement of mid-term operating capital. The credit periods of Type A, Type B, Type C, and Type F-1 are 5 years after the date of the first drawn down. The credit period for Type E-1 is three years and six months after the date of the first drawn down. The credit periods of Type D, Type E-2, and Type F-2 are 1 year after the date of the first drawn down.

The relevant terms of agreement and the amounts used from December 31, 2025 are as follows:

	Line of credit	The utilized amount December 31, 2025

Type A	$ 550,000	$ 550,000
Type B	1,100,000	365,635
Type C	2,050,000	2,020,000
Type D (Note)	1,100,000	1,100,000
Type E and F (Note)	2,800,000	-
	$ 7,600,000	$ 4,035,635

Note: The utilized amount is included in short-term bills payable

Under the premises that no default happens and the Company is surviving, Type D, Type E-2 and Type F-2 can apply to the manage bank to extend the credit period for one year during one year from the date of first drawn down (February, 2025). The last due dates for each subsequent renewal of Type D and Type F-2 are 5 years after the date of the first drawn down, and the due date for each subsequent renewal of Type E-2 is three years and six months after the date of the first drawn down of Type E..

Way to repayment

Type A: Can not be revolvingly used, repay first installment of principle at the due date of 12 months from the date of first use (February 2025), after that take every three months as one installment, the principle should be paid off on average in 17 installments until February 2030.

Type B: Can be revolvingly used in credit period, principle of borrowing shall be fully repaid by the due dates recorded in each drawdown request, and shall not exceed the due date of the credit period of Type B (February 2030).

Type C: Can be revolvingly used in credit period, principle of borrowing shall be fully repaid by the due dates recorded in each drawdown request, and shall not exceed the due date of the credit period of Type C (February 2030).

Type D: Can be revolvingly used in credit period, every commercial paper of borrowing shall be fully repaid in accordance with the par value on the due dates recorded in each commercial paper, and shall not exceed the due date of the credit period of Type D.

Type E-1: Can not be revolvingly used. Concerning the repayment of principle of each borrowing, the unsettled total balance of principle of Type E-1 shall be repaid by the amount drawn down by Type F by the due date of the credit period of Type E-1.

Type E-2: Can be revolvingly used in credit period, every commercial paper shall be fully redeemed at par value on the due dates recorded in each commercial paper, and shall not exceed the due date of the credit period of Type E.

Type F-1: Can not be revolvingly used. Concerning the repayment of principle of each borrowing, the unsettled total balance of principle shall be repaid in 5 installments as of the due date of the drawn down period. 48 months after the date of the first drawn down of Type E-1 is the first installment, and every 3 months thereafter is an installment, total 5 installments. 3% of the principle shall be repaid in the first and the second installments, 4% of the principle shall be repaid in the third installment, 5% of the principle shall be repaid in the fourth installment, and the residual principle shall be repaid in the fifth installment.

Type F-2: Can be revolvingly used in credit period, every commercial paper shall be fully redeemed at par value on the due dates recorded in each commercial paper, and shall not exceed the due date of the credit period of Type F.

In accordance with syndicate contract, Quintain Steel Group provides properties, plants, machineries and affiliated factory service equipment of Quintain factory and Madou factory, energy saving system and affiliated equipment as collateral of the credit case. In each duration of credit, current ratio, debt ratio, and interest coverage ratio of Quintain Steel Group’s financial statement shall meet the rules in credit contract.

According to the credit loan contract, the relevant agreement to the Company is as follows：

1) Financial ratio

   a) Current ratio: it’s the ratio calculated by dividing the current assets by current liabilities (deducting the balance of the long-term borrowings due within one year of the syndicated loan and the short-term notes), which shall be maintained at least 100% (included).
   b) Financial liability ratio: it’s the ratio calculated by dividing total liabilities (excluding the liabilities of financial institutions of the subsidiary, Chateau Co., which belong to capital expenditures and the leasehold rights recognized as lease liabilities in the financial statements) by tangible net worth, which shall be maintained lower than 95% (included)
   c) Interest coverage ratio: it’s the ratio calculated by the total amount of profit or loss before tax plus depreciation, amortization and interest expenses by interest expenses, which shall be maintained at least 200% (included).
   d) Tangible net worth: it’s the amount equals to net worth deducting intangible assets, which shall not be lower than NT$4,000,000 thousand.

The aforementioned financial ratios and regulations shall be reviewed in every half year since the consolidated financial statements for the year ended December 31, 2024, based on the yearly consolidated financial statements audited by auditors agreed by the arranger bank, and the consolidated financial statements for the second quarter reviewed by auditors.

2) Other agreements

According to the contract, if Quintain Steel Group does not conform to any of above financial ratio or limitation, the bank club agrees the condition does not cause any breach of contract. However, from the date of current financial report files to the date of next financial report which conforms to all financial ratio and limitation in the preceding paragraph, compensation fee, which is calculated on outstanding balance times annual rate 0.15% with the basis of 365 days as 1 year, should be paid monthly to management bank on payment date next month, and the fee is distributed to each credit banks on the percentage of credit risk by management bank. And the management bank will pay to each credit bank according to the credit risk of each credit bank.

The syndicated loan contract amounting to NT$4,800,000 thousand signed by the Company with the bank club on September 7, 2022 has been replaced by the aforementioned syndicated loan contract.

As the Company did not confirm the aforementioned financial ratio or limitations, from the date of current financial report files to the date of next financial report which conforms to all financial ratio and limitations, compensation fee, which is calculated on outstanding balance times annual rate 0.15% with the basis of 365 days as 1 year, shall be calculated and paid monthly.

18. NOTES AND ACCOUNTS PAYABLES

Notes and accounts payables of the Company are arising from operation.

The Company has financial management policy to make sure all accounts payable is refunded by anticipated credit periods.

19. OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Current		
Other payables		
Payables for purchasing stocks (Note 8)	$ 27,500	$ 27,500
Salaries and bonus payables	15,327	16,800
Utilities payables	23,255	22,152
Paid leaves payables	5,756	5,368
Office supplies payables	18,166	15,694
Supplies payables	4,565	5,774
Maintenance fee payables	6,670	7,769
Freight payables	3,574	3,534
Process fees payables	34,938	21,122
Employees' remuneration payables	-	1,343
Others	24,207	29,058
	$ 163,958	$ 156,114
Other current liabilities		
Receipts under custody	$ 3,547	$ 2,726
Other advance receipts	916	918
	$ 4,463	$ 3,644
Non-current		
Other non-current liabilities		
Employee benefit liabilities provision	$ 646	$ 1,085

The provision for employee benefits liabilities is an accrued compensation payment.

20. RETIREMENT BENEFIT PLAN

(1) Defined contribution plans

The Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company and its subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

(2) Defined benefit plans

Quintain Steel Co. has a defined benefit pension plan in accordance with the Labor Standards Law. According to the plan, pension benefits of employees that are qualified for retirement are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. Quintain Steel Co. contributes monthly an amount of 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the supervisory committee of workers' retirement reserve fund. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, Quintain Steel Co. will make contributions to cover the deficit by next March. Retirement funds contributed by Quintain Steel Group in accordance with the Labor Standards Law are managed by Bureau of Labor Funds, Ministry of Labor. Quintain Steel Co. has no right to participate in managing and operating that fund.

Defined benefit plan amounts included in individual financial statement are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 35,072	$ 30,314
Fair value of plan assets	(29,426)	(25,576)
Net defined benefit liabilities	$ 5,646	$ 4,738

Changes of net defined benefit liabilities (assets) are as follows：

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1, 2024	$ 29,665	($ 22,564)	$ 7,101
Service cost			
Current service cost	191	-	191
Interest expense (income)	408	(324)	84
Recognized in profit or loss	599	(324)	275
Remeasurements			
Return on plan assets (except the amount included in the net interest)	-	(2,043)	(2,043)
Actuarial losses – changes in financial assumptions	(396)	-	(396)
Actuarial gains – experience adjustments	1,776	-	1,776
Recognized in other comprehensive income	1,380	(2,043)	(663)
Contributions from the employer	-	(1,975)	(1,975)
Benefit paid	(1,330)	1,330	-
Balance at December 31, 2024	30,314	(25,576)	4,738
Service cost			
Current service cost	196	-	196
Past service cost	2,359	-	2,359
Interest expense (income)	455	(399)	56
Recognized in profit or loss	3,010	(399)	2,611
Remeasurements			
Plan asset return (except amounts included in net interest)	-	(1,736)	(1,736)
Actuarial gains – changes in financial assumptions	454	-	454
Actuarial gains – experience adjustments	1,494	-	1,494
Recognized in other comprehensive income	1,948	(1,736)	212
Contributions from the employer	-	(1,915)	(1,915)
Benefit paid	(200)	200	-
Balance at December 31, 2025	$ 35,072	($ 29,426)	$ 5,646

Amounts of defined benefit plan recognized at profit or loss summarized by function are as follows:

	2025	2024
Operating costs	$ 84	$ 87
Selling expenses	3	4
Administration expenses	2,522	179
Research and development expenses	-	3
Lease costs	2	2
	$ 2,611	$ 275

Because of the pension plan of Labor Standards Law, Quintain Steel Company is exposed to following risks:

1) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Fair value of defined plan assets of Quintain Steel Company is calculated by qualified actuary. The principal actuarial assumptions used at measurement day are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.38%	1.5%
Anticipated future salary increase rate	2.50%	2.5%

If reasonable and possible changes arise from actuarial assumptions, respectively, and other assumptions remain unchanged, increased (decreased) amounts of defined benefit obligation are as follows:

	December 31, 2025	December 31, 2024
Discount rate		
Increase by 0.25%	$ 900	$ 770
Decrease by 0.25%	($ 933)	($ 798)
Anticipated future salary increase rate		
Increase by 0.25%	($ 908)	($ 776)
Decrease by 0.25%	$ 880	$ 753

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the actuarial assumptions may be correlated.

	December 31, 2025	December 31, 2024
Anticipated contribution amount in one year	$ 1,920	$ 1,980
Average maturity of net defined benefit obligation	12 years	10.6 years

21. EQUITY

(1) Ordinary stock capital

Ordinary stock

	December 31, 2025	December 31, 2024
Authorized capital stock (in thousands shares)	600,000	600,000
Authorized capital stock	$ 6,000,000	$ 6,000,000
Issued and paid stocks (in thousands shares)	446,875	446,875
Issued capital	$ 4,468,747	$ 4,468,747

Carrying amount of issued Ordinary shares is NT$10, each share owns one right of vote and right to receive dividend.

(2) Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset deficits, distribute cash or transfer to share capital (Note 1)		
Additional paid-in capital	$ 117,996	$ 117,996
Treasury share transactions	380,519	380,519
Difference between consideration and carrying amounts of	-	3,616

subsidiaries acquired or disposed		
May only be used to offset deficits		
Changes in ownership of subsidiaries (Note 2)	77,243	77,243
	$ 575,758	$ 579,374

Note 1: The capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Bank's paid-in capital and once a year).

Note 2: The capital surplus arises from the equity transaction effects of changes in ownership of subsidiaries, or the adjustments in capital surplus of subsidiaries accounted for using equity method, when the Company does not actually acquire or dispose equity of subsidiaries.

(3) Retained earnings and dividend policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors in Note 23 (7).

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Company's paid-in capital. 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.

The Company recognized and reversed a special reserve in accordance with the laws and regulations.

The regular shareholders meeting of the Company resolved to approve the loss appropriation for the year ended December 31, 2023 on May 30, 2024.

The regular shareholders meeting of the Company resolved to approve the loss appropriation for the year ended December 31, 2024 on May 28, 2025 as follows:

	2024
Legal reserve	$ 2,435
Special reserve	$ 21,915

The board of directors of the Company proposed the loss appropriation for the year ended December 31, 2025 in March 2026.

The loss appropriation for the year ended December 31, 2025 is subject to the resolution by the shareholders meeting to be held in May 2026.

(4) Other equity item

Except the following items, other equity items have no significant changes in 2025 and 2024.

Unrealized profit or loss on fair value through other comprehensive income

	2025	2024
Balance, beginning of the year	$ 270,765	$ 625,071
Recognized during the year		
Unrealized gains and losses-equity instruments	(169,098)	(160,515)
Share from associates accounted for using the equity method	(17,518)	(185,163)
Other comprehensive income recognized in the year	(186,616)	(345,678)
Cumulative unrealized gain or loss of investments accounted for using equity method transferred to retained earnings due to disposal	(14,039)	(111)
Cumulative gain or loss of equity instruments transferred to retained earnings due to disposal	-	(8,517)
Balance, end of the year	$ 70,110	$ 270,765

(5) Treasury shares

Purpose of Treasury Shares	Shares held by subsidiaries (thousand shares)
Number of shares on January 1, 2024	19,714
Increase in the year	565
Decrease in the year	(746)
Number of shares as of December 31, 2024	19,533
Number of shares on January 1, 2025	19,533
Increase in the year	220
Number of shares as of December 31, 2025	19,753

Information of subsidiaries hold shares of parent company at balance sheet day for investment purpose is as follows:

December 31, 2025

Subsidiary	Number of shares held (thousands of shares)	Carrying amount	Market value
Chateau Investment Co.	3,098	$ 26,267	$ 26,267
Chateau Co.	17,315	146,834	146,834
Asahi Enterprises Corp.	24,779	210,128	210,128
Total	45,192	$ 383,229	$ 383,229
Attributable to the Consolidated Company	19,753	$ 269,970	$ 167,505

December 31, 2024

Subsidiary	Number of shares held (thousands of shares)	Carrying amount	Market value
Chateau Investment Co.	3,098	$ 33,764	$ 33,764
Chateau Co.	17,315	188,738	188,738
Asahi Enterprises Corp.	24,441	266,410	266,410
Total	44,854	$ 488,912	$ 488,912
Attributable to the Company	19,533	$ 267,966	$ 212,914

The number of shares of Quintain Steel Co., Ltd. held by subsidiaries listed above is the number actually held by subsidiaries. The amount of treasury shares is calculated by considering percentage of ownership to subsidiaries.

In accordance with Securities and Exchange Act, treasury shares held by the Company could not be pledged and do not have right of dividend distribution and voting rights. The Company’s shares held by subsidiaries are considered as treasury shares, except the Company’s shares held by more than 50%-owned subsidiaries are not allowed to participate in the Company’s capital increase in cash and have no voting rights; other rights are the same as other ordinary shareholders.

22. REVENUE

	2025	2024
Revenue from contracts with customers		
Revenue from sales of goods	$ 1,894,408	$ 2,367,710
Service revenue	115,802	134,634
	2,010,210	2,502,344
Lease revenue		
Other operating lease (Note 13)	157,000	150,000
	$ 2,167,210	$ 2,652,344

(1) Description of contracts with customers

Revenue from sales of goods and service revenue

Revenue from sales of goods and service revenue are recognized when the significant risks and rewards are transferred to buyers and relevant services are rendered.

Lease revenue

Other operating leases are income collected from the lessees in accordance to lease agreement.

(2) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 10)	$ 121,714	$ 91,574	$ 145,613
Accounts receivable (Note 10)	$ 134,798	$ 192,609	$ 119,078

23. PROFIT (LOSS) BEFORE INCOME TAX

(1) Interest income

	2025	2024
Bank deposits	$ 963	$ 864
Financial assets at amortized cost	672	705
Loans to related parties	2,684	1,858
Others	46	20
	$ 4,365	$ 3,447

(2) Other income

	2025	2024
Rent income	$ 4,571	$ 5,162
Interest income	3,128	4,548
Computer system maintenance income	2,537	2,617
Revenue from insurance claims	11,649	-
Miscellaneous income	2,825	6,308
	$ 24,710	$ 18,635

(3)

(4) Other gains and losses

	2025	2024
Gains and losses from financial assets		
Financial assets mandatorily at fair value through profit or loss	$ 261	$ 775
Net foreign exchange gain (loss)	8,185	(6,435)
Depreciation expense	(442)	(442)
Net miscellaneous expenses	(467)	(952)
Gains on disposal of associates (Note 12)	-	199,285
Gains on disposal of investment properties	64,681	-
	$ 72,218	$ 192,231

(5) Finance costs

	2025	2024
Interest on bank loans	$ 120,851	$ 83,056
Interest on lease liabilities	3,767	4,494
Imputed interest of deposit	233	216
Other interest expense	9,528	2,688
	134,379	90,454
Less: Amounts included in the cost of qualifying assets (reported in property, plant and equipment)	(32,506)	(11,689)
	$ 101,873	$ 78,765

Information about capitalized interest is as follows:

	2025	2024
Capitalized amounts	$ 32,506	$ 11,689
Capitalized annual rates (%)	2.08%~2.85%	1.68%~2.80%

(6) Depreciation expense

	2025	2024
Property, plant and equipment	$ 99,314	$ 91,502
Right－of－use assets	6,753	7,093
Investment properties	22,109	22,239
	$ 128,176	$ 120,834
An analysis of depreciation by function		
Operating costs	$ 114,032	$ 103,927
Operating expenses	13,702	16,465
Other gains and losses	442	442
	$ 128,176	$ 120,834

(7) Employee benefits

	2025	2024
Short-term employee benefits		
Salaries	$ 148,498	$ 157,510
Labor and health insurance	16,814	18,803
Remuneration of directors	780	760
Other	12,607	11,285
	178,699	188,358
Termination benefits		
Defined contribution plans	$ 5,828	$ 5,824
Defined benefit plans (Note 20)	2,611	275
	8,439	6,099
	$ 187,138	$ 194,457
Summarized by function		
Operation cost	$ 135,325	$ 140,360
Operation expense	51,813	54,097
	$ 187,138	$ 194,457

(8) Employee’s compensation and remuneration of directors

(9) According to the Articles of the Consolidated Company, the article stipulates the Consolidated Company distributed employees’ compensation and directors’ remuneration at the rates no less than 1% and no higher than 1%, respectively, of the pre-tax profit prior to deducting, employees’ compensation, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company has approved the amendments to the Articles of Incorporation by the shareholders meeting’s resolution, which stipulate that after making up for accumulated deficit, the Company shall distribute employees’ compensation at the rates no less than 1% of the profit before tax and before distributing employees’ compensation and directors’ remuneration, among which, no less than 60% shall be distributed as non-executive employees’ compensation. As the Company incurred loss before tax for the year ended December 31, 2025, employees’ compensation and

directors' remuneration are not accrued. The employee's compensation and remuneration of directors in 2024 were resolved by the Board of Directors to be paid by cash on March 11, 2025 as follows:

Estimated percentage

	2024
Employee's compensation	1%

Amount

	2024
Employee's compensation	$ 1,343

The remuneration of directors was resolved not to be paid.

If there is a change in the amounts after the consolidated financial statements were authorized for issuance, the differences are recorded as a change in the accounting estimate and adjusted and recognized in the following year.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on compensation of employees and remuneration of directors and supervisors resolved by the Company's Board of Directors for 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(10) Gains or losses on foreign currency exchange

	2025	2024
Foreign exchange gains	($ 39,200)	($ 8,570)
Foreign exchange losses	47,385	2,135
Net gains (losses)	$ 8,185	($ 6,435)

24. INCOME TAX

(1) Income tax recognized in profit or loss

Income tax expenses(income) are mainly composed by the following items:

	2025	2024
Current tax		
Origination in the current year	$ 4,963	$ -
In respect of prior years	-	7,561
Deferred tax		
In respect of the current year	(9,217)	5,629
	($ 4,254)	$ 13,190

The reconciliation of accounting profit and income tax expense was as follows:

	2025	2024
Profit (loss) before income tax	($ 243,694)	$ 132,675
Income tax expense calculated at the statutory rate	($ 48,738)	$ 26,535
Non-deductible expenses and non-taxable income	(30,466)	(37,032)
Adjustments for prior years' current income tax expenses	-	7,561
Unrecognized loss carryforwards and deductible temporary differences	69,988	16,126
Land value increment tax	4,963	-
	($ 4,254)	$ 13,190

(2) Income tax expense recognized in other comprehensive income

	2025	2024
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ 43	($ 133)

(3) Current tax assets

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivables	$ 4,542	$ 3,918

(4) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive income	Total
Temporary differences				
Long-term employee benefit provisions	$ 217	($ 88)	$ -	$ 129
Defined benefit plans	947	139	43	1,129
Vacation payment	1,074	78	-	1,152
Allowance for inventory valuation	12,981	8,835	-	21,816
Others	1,159	253	-	1,412
	16,378	9,217	43	25,638
Loss carryforwards	172,165	-	-	172,165
	$ 188,543	$ 9,217	$ 43	$ 197,803

Deferred tax liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive income	Total
Temporary differences				
Land Value Increment Tax	$ 2,207	$ -	$ -	$ 2,207
Exchange differences on translation of foreign operations	140	-	-	140
	$ 2,347	$ -	$ -	$ 2,347

For the year ended December 31, 2024

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive income	Total
Temporary differences				
Long-term employee benefit provisions	$ 202	$ 15	$ -	$ 217
Defined benefit plans	1,420	(340)	(133)	947
Vacation payment	1,027	47	-	1,074
Allowance for inventory valuation	19,401	(6,420)	-	12,981
Others	90	1,069	-	1,159
	22,140	(5,629)	(133)	16,378
Loss carryforwards	172,165	-	-	172,165
	$ 194,305	($ 5,629)	($ 133)	$ 188,543

Deferred tax liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive income	Total
Temporary differences				
Land Value Increment Tax	$ 2,207	$ -	$ -	$ 2,207
Exchange differences on translation of foreign operations	140	-	-	140
	$ 2,347	$ -	$ -	$ 2,347

(5) Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have not been recognized in the parent company only balance sheets

	December 31, 2025	December 31, 2024
Loss carryforwards		
Due by 2025	$ -	$ 247,425
Due by 2029	199,130	43,463
Due by 2030	2,845	-
	$ 201,975	$ 290,888

(6) Information about unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised of:

Unused Amount	Expiry year
$ 199,130	2029
37,884	2030
392,393	2033
83,453	2034
349,942	2035
$ 1,062,802	

(7) Income tax assessments

The declaration of the Company’s profit-seeking enterprise income tax has been assessed by the tax collection authority until 2023.

25. EARNINGS (LOSSES) PER SHARE

The earnings (losses), net profit (net loss) and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit (Losses) for the Year

	2025	2024
Net profit for the year attributable to owners of the Company (Net Losses)	($ 239,440)	$ 119,485

Number of shares (in thousands of shares)

	2025	2024
Weighted average number of ordinary shares	446,875	446,875
Less: Weighted average number of treasury shares	19,614	19,369
Weighted average number of ordinary shares used in computation of basic earnings (losses) per share	427,261	427,506
Impact of dilutive potential ordinary shares: employees' compensation		
Employees' compensation	-	123
Weighted average number of ordinary shares for computation of diluted earnings (losses) per share	427,261	427,629

Since the Company offered to settle the compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

As the Company of the Company incurs net loss in 2025, the impact of anti-dilutive potential ordinary shares of employees' compensation has not been included in the calculation of diluted losses per share.

26. CAPITAL MANAGEMENT

The management of the Company and its subsidiaries optimized the balances of working capital, debt and equity to maximized shareholder's profit under the going－concern assumption.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributes to the Company (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

Since the Company need to maintain large amount of capital for factory expansion, thus the capital management of the Consolidate Company should ensure necessary financial resources and operation plan for needs of future operation capital, capital expenditure, and debt refunding.

27. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments not measured at fair value

All the carrying amounts of financial instruments not at fair value, including cash, financial assets at amortized cost — current and non-current, receivables, other receivables, guaranteed deposits paid (recognized as other non-current assets), short-term borrowings, short-term bills payables, payables, other payables, payables for equipment, long-term borrowings (including current portion), and guaranteed deposits received, are the reasonable approximations of fair value.

(2) Financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$447,648	$ -	$ -	$447,648
Domestic OTC shares	583	-	-	583
Domestic non-listed shares	-	-	145,849	145,849
	$448,231	$ -	$145,849	$594,080

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificates of funds	$ 5,273	$ -	$ -	$ 5,273
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$603,875	$ -	$ -	$603,875
Domestic OTC shares	517	-	-	517
Domestic non-listed shares	-	-	158,547	158,547
	$604,392	$ -	$158,547	$762,939

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

There was no transfer in and out of Level 3 for the years ended December 31, 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended December 31, 2025

Financial Assets	Financial Assets at Fair Value Through Other Comprehensive income Equity Instruments
Balance, beginning of the year	$ 158,547
Recognized in other comprehensive income (Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income)	(12,698)
Balance, end of the year	$ 145,849

For the year ended December 31, 2024

Financial Assets	Financial Assets at Fair Value Through Other Comprehensive income Equity Instruments
Balance, beginning of the year	$ 177,462
Recognized in other comprehensive income (Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income)	(18,915)
Balance, end of the year	$ 158,547

The fair values of domestic non-listed equity instruments were determined using the carrying amount adjustment and price-to-book ratio approach. In carrying amount adjustment, values of intangible assets are identified and estimated individually for evaluating market value of the Company and opportunities of growth in the future. In price-to-book ratio approach, the evaluation is based on the reference of the correlation between the net value per share and stock of the same industry to calculate the net carrying amount per share and considers the liquidity and whether the control premium adjustment is acquired of the evaluated companies as the price of invested companies.

(3) Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Fair value through profit or loss		
mandatorily at fair value through profit or loss	$ -	$ 5,273
Financial assets at amortized cost (Note 1)	704,853	683,368
Financial assets at fair value through other comprehensive income		
Equity instruments	594,080	762,939
Financial liabilities		
At amortized cost (Note 2)	5,227,864	4,176,971

Note 1: The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost – current and non-current, notes receivables, accounts receivables, other receivables, and guaranteed deposits paid (recognized in other non-current assets).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payables, accounts payables, other payables, payables for equipment, long-term borrowings (including current portion), and guaranteed deposits received.

(4) Financial risk management objectives and policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable, and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Significant financial activities of the Company were governed by the Company's policies approved by the Board of Directors, compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's activities exposed them primarily to the financial risks of changes in foreign currency exchange rates (see "a. foreign currency risk" below) and interest rates (see "b. interest rate risk" below) and other prices (see "c. other price risk" below)

a) Foreign currency risk

The Company was exposed to foreign currency risk due to sales and purchases.

The Company assessed that amount of profit or loss before tax affected by the sensitivity of changes in exchange rates is not significant. Please refer to Note 31 for the carrying amounts of monetary assets and monetary liabilities denominated other than functional currency at the balance sheet date.

b) Interest rate risk

The Company was exposed to interest rate risk because entities of the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Company financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial liabilities	$ 1,878,320	$ 1,367,036
Cash flow interest rate risk		
Financial assets	198,118	213,666
Financial liabilities	3,305,955	2,780,564

Sensitivity analysis

For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company’s pre-tax profit for the years ended December 31, 2025 and 2024 would decrease/increase by NT$31,078 thousand and NT$25,669 thousand, respectively, which was mainly a result of net variable interest rate liabilities are exposed to cash flow interest rate risk.

c) Other price risk

The Company was exposed to equity price risk through their investments in listed equity securities, non-listed equity securities and mutual funds.

<u>Sensitivity analysis</u>

If equity prices had been 1% higher/lower, pre-tax profit for years ended December 31, 2025 and 2024 would have increased/decreased by NT$0 thousand and NT$53 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL and held-for-trading investments, respectively, and the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by NT$5,941 thousand and NT$7,629 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company and its subsidiaries. As at the balance sheet day, the Company and its subsidiaries' maximum exposure to credit risk in relation to default of counterparties and the amount of contingent liabilities in relation to financial guarantee issued by the Company and its subsidiaries (regardless of collaterals and other credit enhancement instruments) is from:

a) Carrying amounts of financial assets recognized in consolidated financial statements.
b) The maximum amount of contingent liabilities in relation to financial guarantee issued by the Company, regardless of possibilities of occurrence.

The accounts receivable of the Company is centralized in several certain clients; however, these enterprises are not related to each other. In order to maintain the quality of accounts receivable collection, the Company only trades with counterparties with good credits and continues monitor their credit rating. Hence, the credit risk of accounts receivable is limited. The Company evaluates its clients with financial information in public and historical transaction records.

The Company's transaction counterparties are financial institutions and companies with good credits, no significant credit risks are expected to arise.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon refund dates.

To the extent that interest cash flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

	Under 1 year	1~5 years	Over 5 years
December 31, 2025			
Floating interest rate instruments	$ 522,459	$ 3,065,826	$ -
Fixed interest rate instruments	1,735,000	-	-
Non-interest-bearing liabilities	177,500	13,580	-
Lease liabilities	55,585	44,368	83,378
	$ 2,490,544	$ 3,123,774	$ 83,378
December 31, 2024			
Floating interest rate instruments	$ 781,466	$ 2,137,793	$ -
Fixed interest rate instruments	1,170,000	-	-
Non-interest-bearing liabilities	215,208	13,580	-
Lease liabilities	55,694	63,343	137,981
	$ 2,222,368	$ 2,214,716	$ 137,981

The aforementioned amount of guarantee contract is the maximum amount when holder of financial guarantee contract claims guarantor for fall guarantee amount, the Company might pay for fulfilling guarantee obligation. But according to the anticipation on balance sheet day, the Company believes that it is unlikely to pay the amount.

The aforementioned float interest rate instrument of non－derivative financial liabilities will change due to the difference of interest rate estimated at balance sheet day.

b) Financing facilities

	December 31, 2025	December 31, 2024
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	$ 5,090,760	$ 3,249,128
Amount unused	4,345,720	3,493,707
	$ 9,436,480	$ 6,742,835

28. TRANSACTIONS WITH RELATED PARTIES

Related parties and their relationship with the Company:

(1) Related parties and their relationship

Related Party	Relationship with the Company
Quintain Investment Development Co.	Subsidiary
Chateau Investment Co.	Subsidiary
ChiaYuan Investment Development Co.	Subsidiary
Chateau Co.	Subsidiary
Asahi Co.	Subsidiary
Chateau Rich Hotel Co., Ltd.	Subsidiary
Chateau Development Co., Ltd.	Subsidiary
WeiShih Tra ding Co., Ltd.	Other related party (The Company's deputy chairman is the chairman of this Company)
PaoLiDu Investment Development Co., Ltd. (PaoLiDu Investment Co.)	Key management of the Company (Corporate director of the Company)
Luxe Green Energy Technology Co., Ltd.	Substantive related party (as an associate before February 15, 2024)
Wan Chiuan Construction Co., Ltd.	Substantive related party (as the subsidiary of associate before February 15, 2024)
ShinShih Textile Co., Ltd.	Other related parties (the Company's deputy chairman is the director of this company)
Sen-Hsin Energy Co., Ltd.	Substantive related party (as the subsidiary of associate before February 15, 2024)
CHIEN SHING STAINLESS STEEL CO., LTD.	Substantive related parties (the corporate director of the Company is the corporate director of the company)

(2) Receivables from related parties (Not including lending to related parties)

Account Items	Related Parties Types	2025	2024
Notes receivables	Substantive related parties		
	Wan Chiuan Construction Co., Ltd.	$ 49,289	$ -
Other receivables	Subsidiaries	$ 3,033	$ 5,210
	Substantive related parties	4	4
	Other related parties	2	2
		$ 3,039	$ 5,216

The outstanding trade receivables from related parties are unsecured. As of December 31, 2025 and 2024, no loss allowance was recognized for receivables from the related parties.

(3) Payables to related parties

Account Items	Related Parties Types	December 31, 2025	December 31, 2024
Other payables	Subsidiaries		
	Chateau Co.	$ 144	$ 144
Payables for equipment	Substantive Related Party		
	Wan Chiuan Construction Co., Ltd.	2,277	43,575
		$ 2,421	$ 43,719

(4) Prepayments (presented under other current assets)

Related Party Category/Name	December 31, 2025	December 31, 2024
Subsidiary		
Chateau Co.	$ 493	$ 249

(5) Disposal of investment properties - 2025

Related Party Category/Name	Proceeds from disposal	Gains on disposal
Substantive Related Party		
Wan Chiuan Construction Co., Ltd.	$ 70,161	$ 64,681

(6) Acquisition of property, plant and equipment

Related Party Category/Name	Consideration of the acquisition 2025	Consideration of the acquisition 2024
Substantive related parties		
Wan Chiuan Construction Co., Ltd.	$ 90,519	$ 120,006
Luxe Green Energy Technology Co., Ltd.	642	-
	$ 91,161	$ 120,006

(7) Disposal of property, plant and equipment

Related Party Category/Name	Proceeds from disposal		Gains (losses) on disposal	
	2025	2024	2025	2024
Substantive related parties				
CHIEN SHING STAINLESS STEEL CO., LTD.	$ 50	$ 1,400	$ 50	$ 25

(8) Receipts in advance (recognized as other current liabilities)

Related Party Category/Name	December 31, 2025	December 31, 2024
Substantive related parties		
Luxe Green Energy Technology Co., Ltd.	$ 750	$ 750

(9) Loans to Related Parties

Related Party Category/Name	December 31, 2025	December 31, 2024
Loans receivables (presented under other receivables)		
Subsidiary		
ChiaYuan Investment Development Co.	$ 60,500	$ 57,500
Asahi Co.	69,500	33,500
	$ 130,000	$ 91,000

Related Party Category/Name	2025	2024
Interest receivables		
Subsidiary		
ChiaYuan Investment Development Co.	$ 1,347	$ 1,262
Asahi Co.	1,337	596
	$ 2,684	$ 1,858

The Company provides short-term financing to subsidiaries－ChiaYuan Investment Development Co., and ASAHI Co., the interest rate is close to market rate. Loans to subsidiaries for the years ended December 31, 2025 and 2024 were unsecured.

(10) Endorsement guarantee

The Company provides subsidiary－Quintain Investment Development Co. endorsement guarantee and collects endorsement guarantee revenue, for the year ended December 31, 2025 and 2024 the revenue recognized and collected were NT$0 thousand and NT$28 thousand, reported in other revenue, information about endorsement guarantees please refer to Table (2).

(11) Other transactions with related parties

i. The Company provides subsidiaries and associates with information system maintenance. For the year ended December 31, 2025 and 2024 revenues recognized and collected were NT$1,337 thousand and NT$1,417 thousand, respectively, presented under other revenue.

ii. The Company purchased accommodation vouchers, meal vouchers, stationaries, and gifts for social and employee training from subsidiaries and other related parties. For the year ended December 31, 2025 and 2024 expenses recognized and paid were NT$2,131 thousand and NT$2,631 thousand, respectively, presented under general and administrative expenses.

iii. The Company leased operating places to subsidiaries, with lease period from January, 2015 to December, 2029. For the year ended December 31, 2025 and 2024, rent revenue recognized and collected were both NT$1,057 thousand, presented under other revenue.

iv. The Company leased operating places to substantive related parties, other related parties, associates and the key management. For the year ended December 31, 2025 and 2024, rent revenue recognized and collected were NT$2,990 thousand and NT$3,263 thousand, respectively, presented under other revenue.

v. The Company entrusted substantive related party, Wan Chiuan Construction Co., Ltd., to demolish plants, and sell back the wasted irons after the demolishment in 2024. Related expenses and revenue are recognized for NT$1,529 thousand and NT$700 thousand, presented under operating costs.

vi. The Company entrusted substantive related party, Wan Chiuan Construction Co., Ltd., to repair cement floor and fix the gate and rolling shutters in 2024 for NT$190 thousand, presented under operating costs.

vii. The Company purchased uniforms for employees from the other related party, WeiShih Trade Co. Ltd. in 2025 and 2024 for NT$53 thousand and NT$683 thousand, respectively, presented under operating costs.

viii. The Company purchased and repaired lightning arresters from the substantive related party, Luxe Green Energy Technology Co., Ltd., to in 2024 by NT$120 thousand, presented under operating costs.

ix. The Company entrusted substantive related party, Luxe Green Energy Technology Co., Ltd., to repair generators in 2024 by NT$49 thousand, presented under operating costs.

x. The Company entrusted substantive related party, Luxe Green Energy Technology Co., Ltd., to repair solar power equipment in 2025 by NT$136 thousand, presented under operating costs.

xi. The Company entrusted substantive related party, Wan Chiuan Construction Co., Ltd., to deal with fallen trees in 2025 for NT$20 thousand, presented under operating costs.

(12) Compensation of key management personnel

	2025	2024
Short-term employee benefits	$ 14,797	$ 15,550
Post-employment benefits and other long-term employee benefits	579	615
	$ 15,376	$ 16,165

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. PLEDGED ASSETS

The following assets are provided as collateral for long-term financing:

	December 31, 2025	December 31, 2024
Pledged demand deposit and time deposit (recognized as financial assets at amortized cost－current and non-current)	$ 99,000	$ 106,600
Investment using equity method	274,726	279,977
Property, plant and equipment	960,288	1,408,635
Investment property	744,547	330,588
	$ 2,078,561	$ 2,125,800

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Except mentioned in other notes, significant commitments and contingencies of the Company and its subsidiaries at balance sheet day were as follows:

Significant commitment

(1) Unused letters of credit for purchasing materials for the years ended December 31, 2025 and 2024 amounted to NT$169,843 thousand and NT$65,672 thousand.

(2) Contract commitments did not recognize by the Company are as follows:

	December 31, 2025	December 31, 2024
Purchase of property, plant and equipment	$ 1,791,518	$ 2,637,224

Among the amount, the Company signed an E-dReg energy storage purchase contract with Delta Electronics, Inc. on June 12, 2024, and the total contract amount if NT$2,500,000 thousand.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The following information was aggregated by the foreign currencies other than functional currencies of the Company and its subsidiaries and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

Monetary foreign assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary Item			
USD	$ 2,766	31.38	$ 86,799
Monetary foreign liabilities			
Monetary Item			
USD	8,634	31.48	271,794

December 31, 2024

Monetary foreign assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary Item			
USD	$ 4,297	32.74	$ 140,676
Monetary foreign liabilities			
Monetary Item			
USD	19,483	32.84	639,732

The significant foreign currency exchange gains or losses (realized and unrealized) are as follows:

Foreign Currencies	2025 Exchange Rate	2025 Net exchange profit (loss)	2024 Exchange Rate	2024 Net exchange profit (loss)
USD	31.180 (USD:NTD)	$ 8,185	32.112 (USD:NTD)	($ 6,435)

32. OTHER DISCLOSURES

(1) Information about significant transactions

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

(2) Information on investees (Table 4)

(3) Information on investments in mainland China (None)

QUINTAIN STEEL CO., LTD.
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Table 1

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 6)	Ending Balance (Note 6)	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 5)	Transaction Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 7)	Financing Company's Total Financing Amount Limits (Note 7)
													Item	Value		
0	The Consolidated Company	Quintain Investment Development Co.	Other receivables	Y	$ 58,000	$ 29,000	$ -	-	2	$ -	Operating capital	$ -	None	-	$ 473,912 (Note 1)	$ 947,823 (Note 2)
		ChiaYuan Investment Development Co.	"	Y	115,500	89,500	60,500	2.238～2.5	2	-	"	-	None	-	473,912 (Note 1)	947,823 (Note 2)
		Chateau Investment Co.	"	Y	20,000	10,000	-	-	2	-	"	-	None	-	473,912 (Note 1)	947,823 (Note 2)
		Chateau Co.	"	Y	100,000	-	-	-	2	-	"	-	None	-	473,912 (Note 1)	947,823 (Note 2)
		ASAHI Co.	"	Y	129,500	99,500	69,500	2.238～2.5	2	-	"	-	None	-	473,912 (Note 1)	947,823 (Note 2)
						$ 228,000										
1	Quintain Investment Development Co.	ChiaYuan Investment Development Co.	Other receivables	Y	73,000	$ 41,000	12,000	2.748～2.8	2	-	Operating capital	-	None	-	389,612 (Note 3)	519,483 (Note 4)
		The Consolidated Company	"	Y	58,000	29,000	-	-	2	-	"	-	None	-	389,612 (Note 3)	519,483 (Note 4)
		Asahi Co.	"	Y	100,000	55,000	25,000	2.748～2.8	2	-	"	-	None	-	389,612 (Note 3)	519,483 (Note 4)
						$ 125,000										
2	Chateau Development Co., Ltd.	Chateau Co.	Other receivables	Y	240,000	$ 220,000	200,000	2.3～2.38	2	-	Operating capital	-	None	-	237,092 (Note 3)	237,092 (Note 4)

Note 1：Based on 10% of the shareholder’s equities Company.
Note 2：Based on 20% shareholder’s equities of the Company.
Note 3：Quintain Investment Development Co. based on 30% of net amount of shareholder’s equity, Chateau Co. based on 20% of net amount of shareholder’s equity. Chateau Development Co., Ltd. based on 40% of net amount of shareholder’s equity
Note 4：Based on 40% shareholder’s equities of each subsidiary.
Note 5：Nature for financing：
1.Counterparties have business contacts put 1.
2. Counterparties have short-term financial necessities put 2.
Note 6：Financing amount approved by Board of directs.
Note 7：Calculation is based on numbers currently audited by accountant.

QUINTAIN STEEL CO., LTD.
GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Table 2

NO.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Guarantee Provided by a Subsidiary	Guarantee Provided by a Subsidiary	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
	Name	Name	Nature of Relationship	(Note. 1)	(Note. 2)	(Note. 3)							
0	Quintain Steel Co.	Quintain Investment development Co.	Subsidiary	$ 2,132,601	$ 24,000	$ -	$ -	$ -	-	$ 4,739,115	Y	N	N

Note 1：The ceilings on the amounts of endorsement/ guarantee for any single entity shall not exceed 45% of the net worth.
Note 2：The ceilings on the aggregate amounts of endorsement/ guarantee shall not exceed 100% of the net worth.
Note3：Endorsement/ Guarantee amounts passed by the board of directors.

QUINTAIN STEEL CO., LTD.
SECURITIES HELD
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Table 3

Held Company Name	Type of Securities	Name of Securities	Relationship with The Company	Financial Statement Account	DECEMBER 31, 2025				Note
					Shares/Units	Carrying Value	Percentage (%)	Fair value	
				″					
The Company	Shares of listed companies	Luxe Green Energy Technology Co., Ltd.	Substantive relate party	Financial assets at fair value through other comprehensive income－current	15,568,543	$ 292,689	10.04	$ 292,689	
	″	CHIEN SHING STAINLESS STEEL CO., LTD.	Substantive relate party	″	15,044,560	154,959	8.71	154,959	
	Shares of OTC market	CONCORD International Securities Co., Ltd	None	″	38,349	583	0.01	583	
				″		$ 448,231		$ 448,231	
	Shares of non－public offering company	PaoLiDu Investment Co.	Key management of the Company	″	1,347,696	$ 62,803	4.47	$ 62,803	
	″	MinChi Co. Ltd	None	″	2,090,000	44,266	19	44,266	
	″	Wan Chiuan Construction Co., Ltd.	Substantive related party	″	1,437,737	26,684	10	26,864	
	Shares of emerging market companies	Tung Mung Development Co., Ltd.	None	″	1,200,000	12,096	0.29	12,096	
						$ 145,849		$ 145,849	
Quintain Investment development Co.	Shares of listed companies	Luxe Green Energy Technology Co., Ltd.	Substantive relate party	Financial assets at fair value through other comprehensive income－current	3,348,546	$ 62,953	2.16	$ 62,953	
	″	CHIEN SHING STAINLESS STEEL CO., LTD.	Substantive relate party	″	1,188,053	12,237	0.69	12,237	
	Shares of OTC company	Concord Securities Co. Ltd	None	″	45,241,695	687,673	9.95	687,673	
						$ 762,863		$ 762,863	
	Shares of non－public offering company	ShinShih Textile Co. Ltd	Other related party	Financial assets at fair value through other comprehensive income－non-current	120,000	$ 8,430	9.77	$ 8,430	
Chateau Investment Co.	Shares of listed company	Quintain Steel Co., Ltd	Parent company	Financial assets at fair value through other comprehensive income－non-current	3,097,582	$ 26,267	0.69	$ 26,267	
ChiaYuan Investment Development Co.	Shares of non－public offering company	PaoLiDu Investment Co.	Key management of the Company	Financial assets at fair value through other comprehensive income－non-current	4,622,979	$ 215,431	15.34	$ 215,431	
Chateau Co.	Shares of listed company	Quintain Steel Co., Ltd	Parent company	Financial assets at fair value through other comprehensive income－current	17,315,398	$ 146,834	3.87	$ 146,834	
	″	Luxe Green Energy Technology Co., Ltd.	Substantive relate party	″	2,944,077	55,349	1.90	55,349	
						$ 202,183		$ 202,183	
	Shares of non－public offering company	SmokyJoe Co.	None	Financial assets at fair value through other comprehensive income－non-current	3,000,000	$ 17,880	17.39	$ 17,880	
Chateau Rich Hotel Co.	Shares of listed companies	CHIEN SHING STAINLESS STEEL CO., LTD.	Substantive relate party	Financial assets at fair value through other comprehensive income－current	2,961,339	$ 30,502	1.72	$ 30,502	
	″	EVER OHMS TECHNOLOGY CO.,LTD.	None	″	750,000	21,375	0.85	21,375	
	Shares of OTC company	Concord Securities Co. Ltd	None	″	6,905,375	104,962	1.52	104,962	
						$ 156,839		$ 156,839	
Asahi Co.	Shares of listed company	Quintain Steel Co., Ltd	Parent company	Financial assets at fair value through other comprehensive income－current	24,779,279	$ 210,128	5.47	$ 210,128	
	″	CHIEN SHING STAINLESS STEEL CO., LTD.	Substantive relate party	″	6,497,631	66,925	3.76	66,925	
	″	Luxe Green Energy Technology Co., Ltd.	Substantive relate party	″	9,043,420	170,016	5.83	170,016	
	Shares of OTC company	Concord Securities Co. Ltd	None	″	9,330,594	141,825	2.05	141,825	
						$ 588,894		$ 588,894	

Note: The marketable securities listed in the table were determined in accordance with the materiality principle.

QUINTAIN STEEL CO., LTD.
INFORMATION ABOUT INVESTEE COMPANIES, PRINCIPAL PLACE OF BUSINESS, ETC.
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Table 4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee company for the current period	Investment income (loss) recognized by the Company for the current period	Remark
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ratio %	Carrying amount			
The Company	ChiaYuan Investment Development Co.	Taiwan	Investment	$ 381,835	$ 381,835	12,572,433	95.97	$ 135,658	($ 1,749)	($ 1,678)	
	Chateau Investment Co.	Taiwan	〃	82,000	82,000	5,000,000	100	3,478 （註 1）	(39)	(39)	
	Quintain Investment Development Co.	Taiwan	〃	755,827	755,827	81,080,400	100	1,158,637 （註 2）	(11,655)	(11,655)	
	QuinBao Enterprise Co.	Taiwan	Concrete trading	22,950	22,950	2,295,000	45	37,720	7,272	3,273	
	FungShan Enterprise Co.	Taiwan	Ready mixed concrete manufacture and trade	264,390	264,390	27,116,689	45.19	532,119	234,441	105,954	
	Chateau Rich Hotel Co.	Taiwan	Recreation and hotel	209,163	209,163	19,845,175	37.37	141,057	(32,006)	(11,322)	
	Castle Applied Co.	Taiwan	Stones product manufacture	70,124	70,124	5,949,915	22.19	20,670	(80,149)	(17,784)	
Quintain Investment Development Co.	Chateau Co.	Taiwan	Recreation and hotel	301,851	289,200	36,406,318	25.43	631,577	(69,819)		
	New Asia Pacific International Auction Ltd	Macau	Auction	3,454	3,454	-	12.5	-	-		
	Asahi Co.	Taiwan	Bicycle and accessory manufacture and trade	153,039	153,039	13,187,132	49.45	117,491	(8,560)		
Chateau Investment Co.	New Asia Pacific International Auction Ltd	Macau	Auction	3,454	3,454	-	12.5	-	-		
Asahi Co.	Chateau Co.	Taiwan	Recreation and hotel	26,073	26,073	972,516	0.68	20,558	(69,819)		
Chateau Co.	Chateau Rich Hotel Co.	Taiwan	Recreation and hotel	287,424	287,424	26,897,691	50.65	240,080	(32,006)		
	Chateau Development Co., Ltd.	Taiwan	Housing and building development and sales	600,000	600,000	60,000,000	100	592,729	(6,678)		
Chateau Rich Hotel Co.	Park Boulevard Space Sharing Co.	Taiwan	Recreation and hotel	3,600	3,600	360,000	45	4,150	1,091		

Note 1: Amounts after deducting shares held by subsidiaries as treasury shares NT$47,401 thousand.
Note 2: Amounts after deducting shares held by subsidiaries as treasury shares NT$222,569 thousand.

QUINTAIN STEEL CO., LTD.
TABLE OF PROPERTY, AND EQUIPMET CHANGES
for the Years Ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Table 5

	Self-owned property	Land Improvement	Building	Machinery	Transportation Equipment	Office equipment	Lease improvement	Other Equipment	Real estate under construction	Total
Cost										
Balance on January 1, 2024	$ 796,400	$ 54,760	$ 808,137	$ 1,157,724	$ 9,563	$ 23,355	$ 2,207	$ 149,936	$ 20,877	$ 3,022,959
Addition	-	476	967	76,672	2,351	574	-	3,231	124,105	208,376
Disposal	-	(5,000)	(18,956)	(51,534)	(3,383)	-	-	(17,864)	-	(96,737)
Reclassification	-	-	3,207	25,143	285	-	-	5,328	(2,548)	31,415
Reclassified to investment property	-	-	-	-	-	-	-	-	(2,266)	(2,266)
Balance on December 31, 2024	$ 796,400	$ 50,236	$ 793,355	$ 1,208,005	$ 8,816	$ 23,929	$ 2,207	$ 140,631	$ 140,168	$ 3,163,747
Accumulated depreciation										
Balance on January 1, 2024	$ -	$ 17,993	$ 216,876	$ 452,755	$ 5,518	$ 17,910	$ 271	$ 79,290	$ -	$ 790,613
Disposal	-	(5,000)	(17,882)	(50,867)	(2,008)	-	-	(17,780)	-	(93,537)
Depreciation	-	3,341	17,905	46,925	1,194	2,369	129	7,887	-	79,750
Balance on December 31, 2024	$ -	$ 16,334	$ 216,899	$ 448,813	$ 4,704	$ 20,279	$ 400	$ 69,397	$ -	$ 776,826
Net amount on December 31, 2024	$ 796,400	$ 33,902	$ 576,456	$ 759,192	$ 4,112	$ 3,650	$ 1,807	$ 71,234	$ 140,168	$ 2,386,921
Cost										
Balance on January 1, 2025	$ 796,400	$ 50,236	$ 793,355	$ 1,208,005	$ 8,816	$ 23,929	$ 2,207	$ 140,631	$ 140,168	$ 3,163,747
Addition	-	-	3,585	5,443	-	1,958	-	8,686	103,458	123,130
Disposal	(10,480)	(2,140)	-	(815)	(781)	-	-	-	-	(14,216)
Reclassification	-	-	-	4,134	-	-	-	167,907	(17,949)	154,092
Reclassified to investment property	-	-	17,625	-	-	-	-	-	(2,590)	15,035
Balance on December 31, 2025	$ 785,920	$ 48,096	$ 814,565	$ 1,216,767	$ 8,035	$ 25,887	$ 2,207	$ 317,224	$ 223,087	$ 3,441,788
Accumulated depreciation										
Balance on January 1, 2025	$ -	$ 16,334	$ 216,899	$ 448,813	$ 4,704	$ 20,279	$ 400	$ 69,397	$ -	$ 776,826
Disposal	-	(1,201)	-	(815)	(781)	-	-	-	-	(2,797)
Depreciation	-	3,112	17,716	49,784	1,030	1,565	130	16,172	-	89,509
Balance on December 31, 2025	$ -	$ 18,245	$ 234,615	$ 497,782	$ 4,953	$ 21,844	$ 530	$ 85,569	$ -	$ 863,538
Net amount on December 31, 2025	$ 785,920	$ 29,851	$ 579,950	$ 718,985	$ 3,082	$ 4,043	$ 1,677	$ 231,655	$ 223,087	$ 2,578,250

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QUINTAIN STEEL CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars, foreign currencies in New Taiwan Dollars)

Statement 1

ITEM	Amount
Cash	$ 94
Bank Deposit	
Cheque and demand deposit	83,731
Foreign currency deposit (Note)	15,387
	99,118
	$ 99,212

Note：The item includes US$490,335.18 (US$1＝31.38).

QUINTAIN STEEL CO., LTD.
STATEMENT OF NOTES RECEIVABLE
For the year ended December 31, 2025

Statement 2 (In Thousands of New Taiwan Dollars)

Clients	Abstract	Amount
Wan Chiuan Construction Co., Ltd.	Proceeds from sales of investment properties	$ 49,289
ChinLiFa Co., Ltd.	Payment for sales	28,924
MinChang Co.	Payment for sales	16,293
LiChin Co.	Payment for sales	11,546
Others (Note)		15,662
Total		$ 121,714

Note： Balance of each account does not exceed 5% of balance of notes receivables.

QUINTAIN STEEL CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 3

Client	Abstract	Amount
PRIMESOURCE BUILDING PRODUCTS INC.	Payment for sales	$ 71,412
Yang Chen Steel Co., Ltd.	Payment for sales	11,955
Tsnat Works Co., Ltd.	Payment for sales	10,343
Others (Note 2)		42,139
Total		135,849
Less：loss allowance		1,051
Net amount		$ 134,798

Note 1： No client’s account age over 1 year
Note 2： Balance of each account does not exceed 5% of balance of accounts receivables.

QUINTAIN STEEL CO., LTD.
STATEMENT OF INVENTORIES
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 4

Item	Amount	
	Cost	Market price (Note)
Material	$ 667,620	$ 738,735
Work in process	148,120	157,043
Finished good	142,434	141,763
Inventories in transit	191,826	191,826
	$ 1,150,000	$ 1,229,367

Note：Market price is net realizable value.

QUINTAIN STEEL CO., LTD.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME -CURRENT AND NON-CURRENT
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 5

	Beginning balance		Additions		Reductions			Ending balance					
Item	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Unrealized gains or losses on financial instrument valuation	Number of shares	Percentage of ownership (%)	Amount	Market price	For guarantee or pledge	Note
Financial assets at fair value through other comprehensive income -current													
Luxe Green Energy Technology Co., Ltd.	15,568,543	$ 375,202	-	$ -	-	$ -	($ 82,513)	15,568,543	10.04	$ 292,689	$ 292,689	—	
CHIEN SHING STAINLESS STEEL CO., LTD.	24,457,000	228,673	10,000	239	(9,422,440)	-	(73,953)	15,044,560	8.70	154,959	154,959	—	Note 1
Concord International Securities Co., Ltd.	35,509	517	2,840	-	-	-	66	38,349	0.01	583	583	—	Note 2
		$ 604,392		$ 239		$ -	($ 156,400)			$ 448,231			
Financial assets at fair value through other comprehensive income-non-current													
PaoLiDu Investment Co.	1,347,696	$ 72,708	-	$ -	-	$ -	($ 9,905)	1,347,696	4.47	$ 62,803	62,803	—	
MinChi Co.	2,090,000	46,419	-	-	-	-	(2,153)	2,090,000	19.00	44,266	44,266	—	
Tung Mung Development Co., Ltd.	1,200,000	12,540	-	-	-	-	(444)	1,200,000	0.29	12,096	12,096	—	
Wan Chiuan Construction Co., Ltd.	1,200,000	26,880	237,737	-	-	-	(196)	1,400,000	10.00	26,684	26,684	—	
		$ 158,547		$ -		$ -	($ 12,698)			$ 145,849			

Note 1: Reductions in the current year arose from that CHIEN SHING STAINLESS STEEL CO., LTD. performed capital reductions and exchanged for new shares on February 11, 2025.
Note 2: Additions in the current year arose from distribution of stock dividends.

QUINTAIN STEEL CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)
Statement 6

	Balance, beginning of the year		Increase at the year		Decrease at the year									Balance, end of the year				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Capital reserves	Retained earnings	Gains (losses) on investments (Note 1)	Unrealized Financial instrument valuation profit or loss	Defined benefit plan actuarial losses	Treasury shares	Number of shares	Percentage of holdings (%)	Amount (Note 2)	Net value	For guarantee or pledge
Long-term equity investment using equity method																		
Fung Shan Co.	27,116,689	$ 542,289	-	$ -	-	($ 116,601)	（註 3）	$ -	$ -	$ 105,954	$ -	$ 477	$ -	27,116,689	45.19	$ 532,119	$ 532,119	14,000 thousand shares
QuenShih Co.	2,295,000	42,869	-	-	-	(2,869)	（註 3）	-	-	3,273	(5,553)	-	-	2,295,000	45	37,720	37,720	None
Quintain Investment Development Co.	73,627,100	1,155,916	7,453,300	-	-	-	（註 4）	(3,616)	(1,765)	(11,655)	21,753	8	(2,004)	81,080,400	100	1,158,637	1,298,708	〃
ChiaYuan Investment Development Co.	12,572,433	169,946	-	-	-	-		-	-	(1,678)	(32,610)	-	-	12,572,433	95.97	135,658	135,658	〃
Chateau Investment Co.	5,000,000	3,517	-	-	-	-		-	-	(39)	-	-	-	5,000,000	100	3,478	29,746	〃
Chateau Rich Hotel Co.	19,845,175	153,477	-	-	-	-		-	-	(11,322)	(1,108)	10	-	19,845,175	37.37	141,057	141,057	〃
Castle Applied Co.	5,949,915	38,454	-	-	-	-		-	-	(17,784)	-	-	-	5,949,915	22.19	20,670	20,670	〃
		$2,106,468		$ -		($ 119,470)		($ 3,616)	($ 1,765)	$ 66,749	($ 17,518)	$ 495	($ 2,004)			$2,029,339		

Note 1: Long-term equity investments accounted for using equity method are recognized according to financial statements audited by accountant at the same period
Note 2: The balance has already deducted the carrying amount of treasury shares arising from the Company’s shares held by subsidiaries.
Note 3: The amounts are cash dividends.
Note 4: The amount resulted from stock dividends.

QUINTAIN STEEL CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 7

Item	Balance, beginning of the year	Increase	Decrease	Balance, end of the year
Cost				
Land	$ 250,266	$ -	$ -	$ 250,266
Buildings	11,927	-	-	11,927
Transportation equipment's	5,492	-	(932)	4,560
	267,685	-	(932)	266,753
Accumulated depreciation				
Land	7,805	5,036	-	12,841
Buildings	1,556	303	-	1,859
Transportation equipment's	1,539	1,414	(932)	2,021
	10,900	6,753	(932)	16,721
	$ 256,785	($ 6,753)	$ -	$ 250,032

QUINTAIN STEEL CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Statement 8

Borrowing type and Debtholder	Period	Interest rate (%)	Amount	Line of Credit	Pledge or Guarantee
Borrowing for purchasing materials					
Chang Hwa Commercial Bank	2025.07.18～2026.01.14	5.16	$ 56,664	$ 200,000	Promissory notes, reserve
First Commercial Bank	2025.07.30～2026.04.06	4.85～5.27	62,405	100,000	Promissory notes, shares
Hua Nan Commercial Bank	2025.08.26～2026.02.17	5.35	3,091	80,000	Promissory notes, reserve
			122,160		
Borrowing for Working Capital					
Mega Bank	2025.12.02～2026.03.02	2.08	70,000	80,000	Promissory notes, reserve
Hua Nan Commercial Bank	2025.09.16～2026.03.13	2.20	50,000	80,000	Promissory notes, reserve
First Commercial Bank	2025.12.24～2026.03.24	2.23	30,000	100,000	Promissory notes, reserve
Panhsin Bank	2025.12.14～2026.03.24	2.25	50,000	50,000	Promissory notes, reserve
Chang Hwa Commercial Bank	2025.12.02～2026.06.02	2.19	30,000	200,000	Promissory notes, reserve
Taiwan Cooperative Bank	2025.11.28～2026.11.28	2.28	50,000	180,000	Promissory notes, reserve
			280,000		

QUINTAIN STEEL CO., LTD.
STATEMENT OF SHORT-TERM BILLS PAYABLE
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 9

Institution of Guarantee or Acceptance	Contract Period	Discount rate (%)	Amount Issued	Unamortized discounts on bills and Processing Fee	Carrying amount
Commercial paper payable					
International Bills	2025.12.17～2026.01.21	2.20	$ 460,000	($ 554)	$ 459,446
China Bills	2025.12.19～2026.02.11	2.21	95,000	(236)	94,764
Ta Ching Bills	2025.12.26～2026.01.23	2.21	50,000	(67)	49,933
Union Bills	2025.12.26～2026.02.09	2.25	30,000	(72)	29,928
International Bills	2025.12.22～2026.02.11	2.62	350,000	(1,032)	348,968
Mega Bills	2025.12.22～2026.02.11	2.62	300,000	(884)	299,116
China Bills	2025.12.22～2026.02.11	2.62	250,000	(737)	249,263
Ta Ching Bills	2025.12.22～2026.02.11	2.62	200,000	(589)	199,411
			$ 1,735,000	($ 4,171)	$ 1,730,829

QUINTAIN STEEL CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 10

Vendor	Abstract	Amount
Jinbao Transportation Co., Ltd.	Freight inward	$ 3,286
Ju-Hong Co., Ltd	Freight inward	2,102
Kao Feng Stevedoring Co., Ltd.	Freight inward	653
Others (Note)		512
		$ 6,553

Note：Balance at each account does not exceed 5% of balance of accounts receivable.

QUINTAIN STEEL CO., LTD.
STATEMENT OF LEASE LIABILITIES
For the year ended December 31, 2025

Statement 11 (In Thousands of New Taiwan Dollars)

Item	Lease period	Discount rate	Balance, end of the year
Current			
Land	2019.02.01～2073.08.01	2.08%～2.98%	$ 51,442
Building	2015.01.01～2064.12.31	2.35%～3.2%	219
Transportation equipment	2024.05.31～2028.03.24	3.19%～3.61%	1,320
			52,981
Current			
Land	2019.02.01～2073.08.01	2.08%～2.98%	82,535
Building	2015.01.01～2064.12.31	2.35%～3.2%	10,685
Transportation equipment	2024.05.31～2028.03.24	2.08%～3.61%	1,290
			94,510
			$ 147,491

QUINTAIN STEEL CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 12

Bank	Amount			Period	Interest rates (%)	Ways of refund	Collateral
	Due in one year	Due over one year	Total				
ChangHwa Bank and other Syndicated Banks－Type A	$ 44,000	$ 506,000	$ 550,000	2025.02.27~2030.02.27	2.82	Refer to Note (17(3))	Property, plant, machinery equipment and reserve account deposit
ChangHwa Bank and other Syndicated Banks－Type B	-	365,635	365,635	2025.02.27~2030.02.27	2.64～5.17	Refer to Note (17(3))	Property, plant, machinery equipment and reserve account deposit
ChangHwa Bank and other Syndicated Banks－Type C	-	2,020,000	2,020,000	2025.02.27~2030.02.27	2.82	Refer to Note (17(3))	Property, plant, machinery equipment and reserve account deposit
Processing fee of syndicated loan	-	(31,840)	(31,840)				
	$ 44,000	$ 2,859,795	$ 2,903,795				

QUINTAIN STEEL CO., LTD.
STATEMENT OF OPERATING REVENUE
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 13

Item	Number of Sales (ton)	Amount
Sales revenue		
Carbon Steel Wire	37,271	$ 662,006
Galvanized Wire	10,812	247,188
Screw	12,883	598,045
Lead screw	18,379	345,149
Spheroidized Wire	1,356	34,868
Black Wire	280	7,052
Black Annealing Wire	2	100
		1,894,408
Processing revenue		
Spheroidized Wire	25,419	106,747
Black Wire	705	2,089
Screw Outsourcing	751	4,499
Others	683	2,467
		115,802
Lease revenue		
Other operating revenue	-	157,000
		$ 2,167,210

QUINTAIN STEEL CO., LTD.
STATEMENT OF OPERATING COSTS
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 14

Item	Amount
Raw material (including inventory in transit)	$ 942,010
Plus：Raw material purchased	1,372,147
Interval transfers	784
Finished goods transferred in	1,075,877
Other adjustments	2,040
Less：Raw materials, end of year (including inventory in transit)	859,446
Internal transit	784
Costs of raw materials sold	62
Transferred to finished goods	49
Inventory valuation and obsolescence loss	36,389
Material used	2,496,128
Direct labor	75,418
Manufacturing expenses	871,995
Manufacturing cost	3,443,541
Plus：Work in process, beginning of year	132,834
Purchase at the year	1
Finished goods transferred in	33,646
Interval transfer	489,164
Other adjustments	2,464
Reversal gains on inventory valuation and obsolescence loss	660
Less：Work in process, end of year	148,120
Interval transfer	489,164
Transferred to expense	526
Costs of finished goods	3,464,500
Plus：Finished goods, beginning of year	68,343
Purchase at the year	23
Transferred from raw materials	49
Costs of raw materials sold	62
Less：Finished goods, end of year	142,434
Transferred to expenses	1,137
Transferred to material	1,075,877
Transferred to work in process	33,646
Other adjustments	2,199
Valuation and obsolescence loss	8,445
Costs of goods sold－manufacture	2,269,239
Costs of goods sold－net gains on physical inventory	(2,305)
Costs of goods sold－tailings sold	(14,410)
Costs of goods sold-gains on disposal of property, plant and equipment	(16,705)
Costs of goods sold－inventory valuation and obsolescence loss	44,174
Costs of lease	55,706
	$ 2,335,699

QUINTAIN STEEL CO., LTD.
STATEMENT OF OPERATING COSTS
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 15

	Sales Expenses	General and Administrative Expenses	Research and Development Expenses	Anticipate credit impairment losses	Total
Payroll and bonus expense	$ 7,026	$ 31,212	$ 1,330	$ -	$ 39,568
Transportation fee	28,788	6	-	-	28,794
Depreciation expense	498	13,204	-	-	13,702
Commission	7,526	-	-	-	7,526
Export expense	7,971	-	-	-	7,971
Service expense	-	5,677	-	-	5,677
Labor health care expense	958	2,953	162	-	4,073
Miscellaneous expense	622	2,944	-	-	3,566
Expected credit impairment losses	-	-	-	775	775
Others (Note)	7,908	21,652	162	-	29,722
	$ 61,297	$ 77,648	$ 1,654	$ 775	$ 141,374

Note： Amount of each individual item does not exceed 5% of the accounting item.

QUINTAIN STEEL CO., LTD.
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
For the year ended December 31, 2025
(In Thousands of New Taiwan Dollars)

Statement 16

	2025				2024			
	Operating Costs	Operating Expenses	Others	Total	Operating Costs	Operating Expenses	Others	Total
Employee benefits								
Salaries	$ 108,930	$ 39,568	$ -	$ 148,498	$ 113,924	$ 43,586	$ -	$ 157,510
Labor and health insurance	12,741	4,073	-	16,814	13,828	4,975	-	18,803
Pension	4,061	4,378	-	8,439	3,914	2,185	-	6,099
Remuneration of directors	-	780	-	780	-	760	-	760
Others	9,593	3,014	-	12,607	8,694	2,591	-	11,285
	$ 135,325	$ 51,813	$ -	$ 187,138	$ 140,360	$ 54,097	$ -	$ 194,457
Depreciation	$ 114,032	$ 13,702	$ 442	$ 128,176	$ 103,927	$ 16,465	$ 442	$ 120,834

Note：1. The average numbers of employees are 273 and 296 for the years ended December 31, 2025 and 2024, respectively. Among them, the numbers of directors not serving as employees are both 7.

2. Additional disclosures are as follows:

1) The average employee benefit expenses amounted to NT$701 thousand (“Total amount of employee benefits expenses of the current year-total amount of directors’ remuneration”/”number of employees of the current year-number of directors not serving as employees”) and NT$670 thousand (“Total amount of employee benefits expenses of the prior year-total amount of directors’ remuneration”/”number of employees of the prior year-number of directors not serving as employees”) in 2025 and 2024, respectively.
2) The average payroll expenses amounted to NT$558 thousand (“Total amount of payroll expenses of the current year”/”number of employees of the current year-number of directors not serving as employees”) and NT$545 thousand (“Total amount of payroll expenses of the prior year”/”number of employees of the current year-number of directors not serving as employees”)in 2025 and 2024, respectively.
3) The rate of changes in average payroll expenses is 12.39% (“Average payroll expenses of the current year-average payroll expenses of the prior year”/ average payroll expenses of the prior year).
4) Remuneration of independent directors for the current year was NT$180 thousand.
Remuneration of independent directors for the prior year was NT$160 thousand.
5) The Company's remuneration policies (including directors, managers and employees) are as follows:

a) Remuneration policy for directors

In accordance with the Regulations of Remunerations for Directors and Managements, the Company does not pay a fixed compensation monthly to directors (except for who working in the Company), travel allowances shall be determined by Board of Directors. The Company's Articles of Incorporation, which stipulates that "If there is profit in any given fiscal year, the Company shall set aside no higher than 1% as the remuneration for directors.

b) Remuneration policy for supervisors

Supervisor System was replaced by Audit Committee since May, 2016.

c) Remuneration for managements:

With regard to remuneration for appointed managements, the Remuneration Committee shall study and formulate (as well as regularly review) the performance evaluation system, evaluation results, and related remuneration system for appointed managements. The reasonableness of correlation between individual performance, the Company's business performance, and future risks are also taken into consideration while determining the performance and remuneration for appointed managements. After reviewing the above items, the proposal will be reported and determined by Board of Directors.

d) Compensation policy for employees:

Employee compensation mainly includes basic salary, bonuses, annual bonuses and remuneration for employees reflect the Company's profitability in the current year. According to Article of the Company's Articles of Incorporation, which stipulates that "If there is profit in any given fiscal year, the Company shall set aside no less than 1% as the remuneration in stock or cash for employees