

**LONG BON INTERNATIONAL CO., LTD.
AND SUBSIDIARIES CONSOLIDATED
FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT FOR THE
SIX-MONTH PERIODS ENDED
JUNE 30, 2025 AND 2024**

Address: 9F., No. 50, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Telephone: (02)2375-6595

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

Index

Item	Page
1. Cover sheet	1
2. Index	2
3. Independent Auditors' Review Report	3~6
4. Consolidated balance sheets	7~8
5. Consolidated statements of comprehensive incomes	9
6. Consolidated statements of changes in equity	10
7. Consolidated statements of cash flows	11
8. Notes to the consolidated financial statements	
(1) History and organization	12
(2) Date and procedures of authorization of financial statements for issue	12
(3) Newly issued or revised standards and interpretations	12~17
(4) Summary of significant accounting policies	18~22
(5) Significant accounting judgements, estimates and assumptions	22
(6) Contents of significant accounts	22~57
(7) Related party transactions	58~63
(8) Assets pledged as security	64
(9) Significant contingencies and unrecognized contractual commitment	64~74
(10) Losses due to major disasters	74
(11) Significant subsequent events	74
(12) Others	75~89
(13) Additional disclosure	
1. Information on significant transactions	89,92~97
2. Information on investees	89, 92~96,98
3. Information on investments in Mainland China	89,99
(14) Segment information	90~91



安永聯合會計師事務所

11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road,
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
ey.com/zh_tw

Independent Auditors' Review Report Translated from Chinese

To Long Bon International Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Long Bon International Co., Ltd. (the "Company") and its subsidiaries as of June 30, 2025 and 2024 the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, consolidated statement of changes in equity and cash flows for the six-month periods ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (hereinafter "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflected total assets of NT\$3,640,336 thousand and NT\$4,601,323 thousand, accounting for 9.13% and 11.56% of the consolidated total assets, respectively; and the related liabilities amounted to NT\$1,319,046 thousand and NT\$2,036,259 thousand, accounting for 6.81% and 10.12% of consolidated total liabilities, respectively; and total comprehensive income of these subsidiaries amounted to NT\$32,030 thousand, NT\$12,830 thousand, NT\$48,712 thousand, and NT\$28,192 thousand, constituting for 14.67%, 3.82%, 8.41%, and 3.21% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, respectively. As explained in Note 6(8), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent auditors. Those associates and joint ventures under equity method amounted to NT\$314,628 thousand and NT\$299,160 thousand as of June 30, 2025, and 2024. The related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$12,703 thousand, NT\$13,110 thousand, NT\$34,049 thousand and NT\$25,599 thousand for the three-month and six-month periods ended June 30, 2025 and 2024, respectively. The information related to above subsidiaries, associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at June 30, 2025 and 2024, and their consolidated financial performance for the six-month periods ended June 30, 2025 and 2024, and cash flows for the six-month periods ended June 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter - Contingency

As explained in Note 9, on January 11, 2023, Taisun Enterprise Co., Ltd. received a civil complaint from Everwin Investment Co., Ltd. and Long Bon International Co., Ltd. requesting to invalidate the board resolution of the Company regarding the disposal of shares in Taiwan FamilyMart Co., Ltd. The case is currently under trial in the Intellectual Property and Commercial Court. We have not revised the review conclusion as a result of this matter.

Emphasis of Matter - Non-current Prepayments for Investments

As explained in Note 6 (12), Taisun Enterprise Co., Ltd., a subsidiary of Long Bon International Co., Ltd., paid a transaction price of NT\$3.5958 billion (from a total amount of NT\$3.6 billion less the unpaid securities transaction tax of NT\$4.2 million deducted by the Taisun Enterprise Co., Ltd.) for the equity investment in JKO FinTech Co., Ltd. However, this investment case was ruled by the Intellectual Property and Commercial Court granting the preliminary injunction request filed by the shareholders of Taisun Enterprise Co., Ltd., prohibiting Taisun Enterprise Co., Ltd. from executing this equity investment case before the litigation is finalized. Later in August 2023, Taishan Enterprise Co., Ltd. also filed an action with the Taiwan Taipei District Court, requesting the return of the investment amount from JKO FinTech Co., Ltd. and Dorian Innovation Limited. This case was ruled on May 13, 2025, by the Taiwan Taipei District Court, stating that Taisun Enterprise Co., Ltd. won the case, and JKO FinTech Co., Ltd. shall pay Taisun Enterprise Co., Ltd. NT\$3.5958 billion, along with interest calculated at an annual rate of 5% from September 8, 2023, until the full repayment date. However, the final ruling and complete reasons of this judgment are still pending formal written service before they can be confirmed. Furthermore, given that Taiwan's civil litigation adopts a three-tier appeal system, JKO FinTech Co., Ltd. still has the right to appeal, so the outcome of this case remains uncertain. We have not revised the review conclusion as a result of this matter.

Taisun Enterprise Co. Ltd. paid guarantee deposit of NT\$1.1986 billion on May 22, 2025, to apply for provisional execution at the Taipei District Court in Taiwan, to seize the relevant assets of JKO FinTech Co., Ltd. within the scope of NT\$3.5958 billion, plus interest calculated at an annual rate of 5% from September 8, 2023, until the date of repayment. In addition to applying for the seizure of JKO FinTech Co., Ltd.'s bank accounts and conducting on-site execution on July 10, 2025, Taisun Enterprise Co. Ltd. also legally requested the court to order JKO FinTech Co., Ltd. to report its asset status. Depending on the subsequent reporting status, additional seizures and recovery targets (such as the company's claims against third parties) will be considered.

Additionally, JKO FinTech Co., Ltd. has appealed and this case is currently under review by the Taiwan High Court. We have not revise the review conclusion as a result.

Huang, Tzu-Ping

Lin, Su-Wen

Ernst & Young, Taiwan

August 12, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
As at June 30, 2025, December 31, 2024 and June 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As at		
		June 30, 2025	December 31, 2024	June 30, 2024
Current assets				
Cash and cash equivalents	4,6	\$3,565,717	\$5,675,473	\$3,478,240
Financial assets at fair value through profit or loss, current	4,6	458,272	322,719	424,615
Financial assets at amortized cost, current	4,6	322,028	459,488	826,495
Contract assets, current	6,9	2,070,953	2,368,305	3,472,384
Notes receivable, net	4,5,6,7	271,741	384,519	473,341
Trades receivable, net	4,5,6,7	1,891,002	1,205,427	1,816,238
Other receivables	7	124,091	102,357	139,332
Current tax assets		7,023	27,954	32,269
Inventories	4,5,6	1,550,463	1,447,404	1,191,368
Inventories, for construction business	4,5,6,8	2,176,204	2,155,259	3,277,261
Biological assets, current	4	28,337	26,099	26,150
Other financial assets, current	6,8	1,570,638	1,667,968	1,176,426
Other current assets, others	6,7	1,301,502	1,024,431	1,321,164
Incremental costs of obtaining a contract, current		88,164	50,338	46,947
Total current assets		15,426,135	16,917,741	17,702,230
Non-current assets				
Financial assets at fair value through other comprehensive income, non-current	4,6,8	1,877,714	1,733,775	1,791,495
Financial assets at amortized cost, non-current	4,6,8	297,571	310,452	350,434
Investments accounted for using the equity method	4,6	314,628	324,188	299,160
Contract assets, non-current	6,9	978,788	861,472	-
Property, plant and equipment	4,6,8	12,208,113	12,705,409	11,777,966
Right-of-use assets	4	26,005	27,689	27,033
Investment property, net	4,6,8	2,622,928	2,121,971	3,034,942
Intangible assets	4	126,792	120,117	116,209
Biological assets, non-current	4	6,195	7,281	7,561
Deferred tax assets	4,6	247,583	217,990	114,489
Prepayments for investments	4,6,9,11	3,600,000	3,600,000	3,600,000
Net defined benefit assets, non-current	4,6	68,764	67,902	64,261
Other financial assets, non-current	4,6,7,8	2,052,163	734,251	907,428
Other non-current assets, others	4,6,7	8,722	8,908	20,060
Total non-current assets		24,435,966	22,841,405	22,111,038
Total assets		\$39,862,101	\$39,759,146	\$39,813,268

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS(CONTINUED)
As at June 30, 2025, December 31, 2024 and June 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As at		
		June 30, 2025	December 31, 2024	June 30, 2024
Current liabilities				
Short-term borrowings	4,6	\$2,214,013	\$2,094,000	\$2,264,134
Short-term notes payable	4,6	368,640	1,896,986	1,896,484
Contract liabilities, current	4,6	4,287,227	4,097,476	4,905,584
Notes payable		32,900	123,171	80,771
Accounts payable	4,5,7	2,581,736	2,786,383	2,340,328
Other payables	6,7	1,055,916	744,962	726,728
Current tax liabilities	4,5,6	118,626	310,902	144,361
Provisions, current	4,5,6	246,620	256,771	150,627
Lease liabilities, current	4	8,932	14,936	7,346
Long-term borrowings (current portion)	4,6	115,957	274,087	1,273,041
Other current liabilities	6	285,522	339,106	360,393
Total current liabilities		11,316,089	12,938,780	14,149,797
Non-current liabilities				
Contract liabilities, non-current	4,6	171,350	107,991	103,294
Long-term borrowings	4,6	2,688,941	1,482,937	978,718
Provisions, non-current	4,5	115,501	115,501	117,433
Deferred tax liabilities	4,5,6	1,090,382	1,090,838	1,091,031
Lease liabilities, non-current	4	7,509	1,610	8,739
Deposits received		2,475,546	2,292,369	2,291,210
Other non-current liabilities	12	1,496,435	1,425,899	1,372,795
Total non-current liabilities		8,045,664	6,517,145	5,963,220
Total liabilities		19,361,753	19,455,925	20,113,017
Equity	4,6			
Common stock		3,947,293	3,947,293	3,947,293
Additional paid-in capital	6,7	224,679	201,106	178,349
Retained earnings				
Legal reserve		984,008	881,154	881,154
Special reserve		189,591	199,957	199,957
Unappropriated earnings		7,732,518	7,556,384	7,144,059
Subtotal		8,906,117	8,637,495	8,225,170
Other components of equity	4,6	(103,481)	(189,590)	(161,466)
Treasury stock	4,6,8	(614,333)	(614,333)	(614,333)
Subtotal		12,360,275	11,981,971	11,575,013
Non-controlling interests	6	8,140,073	8,321,250	8,125,238
Total equity		20,500,348	20,303,221	19,700,251
Total liabilities and equity		\$39,862,101	\$39,759,146	\$39,813,268

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month and the six-month periods ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		3-month periods ended June 30		6-month periods ended June 30	
	Notes	2025	2024	2025	2024
Operating revenues, net	4,6,7	\$5,324,055	\$5,547,594	\$10,109,866	\$12,002,650
Operating costs	6,7	(4,606,236)	(4,757,415)	(8,695,825)	(10,212,015)
Gross profit		717,819	790,179	1,414,041	1,790,635
Gross profit, net		717,819	790,179	1,414,041	1,790,635
Operating expenses	4,6,7				
Sales and marketing expenses		(255,448)	(267,572)	(491,119)	(522,623)
General and administrative expenses		(153,549)	(156,283)	(303,555)	(313,929)
Research and Development expenses		(8,924)	(8,075)	(20,053)	(12,520)
Expected credit (losses) gains	4,6	(29,203)	(216)	(29,305)	59
Subtotal		(447,124)	(432,146)	(844,032)	(849,013)
Net operating income		270,695	358,033	570,009	941,622
Non-operating income and expenses	4,6,7				
Interest income		25,049	26,655	46,977	38,177
Other income		38,778	69,175	56,626	86,590
Other gains and losses		(33,200)	15,256	(24,230)	49,890
Finance cost		(44,233)	(45,810)	(87,064)	(92,323)
Share of loss of associates and joint ventures accounted for using the equity method		12,703	13,110	34,049	25,599
Expected credit gain	4,6	(32,812)	-	(32,812)	-
Subtotal		(33,715)	78,386	(6,454)	107,933
Income from continuing operation before income tax		236,980	436,419	563,555	1,049,555
Income tax expense	4,5,6	(61,208)	(161,550)	(91,872)	(225,753)
Net income		175,772	274,869	471,683	823,802
Other comprehensive income (loss)	6				
Components of other comprehensive income that will not be reclassified to profit or loss					
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		97,169	56,656	153,193	39,843
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(54,661)	4,025	(46,082)	13,949
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	103	-
Total other comprehensive income (loss), net of tax		42,508	60,681	107,214	53,792
Total comprehensive income		\$218,280	\$335,550	\$578,897	\$877,594
Net income (loss) attributable to:					
Stockholders of the parent		\$99,100	\$154,092	\$290,834	\$616,978
Non-controlling interests		76,672	120,777	180,849	206,824
		\$175,772	\$274,869	\$471,683	\$823,802
Comprehensive income (loss) attributable to:					
Stockholders of the parent		\$127,068	\$203,567	\$354,731	\$654,714
Non-controlling interests		91,212	131,983	224,166	222,880
		\$218,280	\$335,550	\$578,897	\$877,594
Earnings per share:	6				
Basic earnings per share (NTD)		\$0.27	\$0.43	\$0.80	\$1.71
Diluted earnings per share (NTD)		\$0.27	\$0.43	\$0.80	\$1.71

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six-month periods ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company										
	Capital	Retained earnings				Other components of equity					
	Common Stock	Additional Paid-In Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Treasury stock	Total	Non-Controlling Interests	Total Equity
Balance as of January 1, 2024	\$3,947,293	\$178,349	\$785,563	\$87,843	\$6,735,541	\$955	\$(200,913)	\$(614,333)	\$10,920,298	\$7,911,291	\$18,831,589
Appropriation and distribution of 2023 retained earnings:											
Legal reserve	-	-	95,591	-	(95,591)	-	-	-	-	-	-
Special reserve	-	-	-	112,114	(112,114)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	(8,933)	(8,933)
Changes in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	1	1
Net income for the six-month periods ended June 30, 2024	-	-	-	-	616,978	-	-	-	616,978	206,824	823,802
Other comprehensive income (loss) for the six-month periods ended June 30, 2024	-	-	-	-	(755)	5,121	33,371	-	37,737	16,055	53,792
Total comprehensive income (loss)	-	-	-	-	616,223	5,121	33,371	-	654,715	222,879	877,594
Balance as of June 30, 2024	\$3,947,293	\$178,349	\$881,154	\$199,957	\$7,144,059	\$6,076	\$(167,542)	\$(614,333)	\$11,575,013	\$8,125,238	\$19,700,251
Balance as of January 1, 2025	\$3,947,293	\$201,106	\$881,154	\$199,957	\$7,556,384	\$9,410	\$(199,000)	\$(614,333)	\$11,981,971	\$8,321,250	\$20,303,221
Appropriation and distribution of 2024 retained earnings:											
Legal reserve	-	-	102,854	-	(102,854)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(10,366)	10,366	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	(350,417)	(350,417)
Changes in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Net income for the six-month periods ended June 30, 2025	-	-	-	-	290,834	-	-	-	290,834	180,849	471,683
Other comprehensive income (loss) for the six-month periods ended June 30, 2025	-	-	-	-	-	(23,388)	87,285	-	63,897	43,317	107,214
Total comprehensive income (loss)	-	-	-	-	290,834	(23,388)	87,285	-	354,731	224,166	578,897
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	9,185	-	-	-	-	-	-	9,185	9,185	18,370
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	14,388	-	-	-	-	-	-	14,388	-	14,388
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(64,111)	(64,111)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(22,212)	-	22,212	-	-	-	-
Balance as of June 30, 2025	\$3,947,293	\$224,679	\$984,008	\$189,591	\$7,732,518	\$(13,978)	\$(89,503)	\$(614,333)	\$12,360,275	\$8,140,073	\$20,500,348

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six-month periods ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	6-month periods ended June 30			6-month periods ended June 30	
	2025	2024		2025	2024
Cash flows from operating activities:			Cash flows form investing activities:		
Net income before tax	\$563,555	\$1,049,555	Proceeds from disposal of financial assets at fair value through other comprehensive income	9,368	-
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Acquisition of financial assets at amortized cost	-	(696,492)
Income and expense adjustments:			Proceeds from disposal of financial assets at amortised cost	137,460	-
Depreciation	108,930	106,251	Acquisition of financial assets at fair value through income	-	(650,000)
Amortization	5,304	4,479	Proceeds from disposal of financial assets at fair value through profit or loss	-	400,145
Expected credit losses (gains)	62,117	(59)	Acquisition of property, plant and equipment	(113,267)	(71,974)
Net loss (gain) on financial assets/ liabilities at fair value through profit or loss	825	(17,551)	Proceeds from disposal of property, plant and equipment	7,677	1,750
Interest expense	87,064	92,323	Acquisition of intangible assets	(2,299)	(6,661)
Interest income	(46,977)	(38,177)	Net cash inflows from business combination	983	-
Dividend income	(17,870)	(12,869)	Acquisition of investment properties	(809)	-
Share of profit of associates and joint ventures accounted for using the equity method	(34,049)	(25,599)	Decrease (increase) in other financial assets	(1,317,912)	(137,745)
Loss (gain) on disposal of property, plant and equipment	(3,353)	(216)	Increase in other non-current assets	169	(10,403)
Loss (gain) on disposal of investments	-	(61)	Net cash provided by (used in) investing activities	(1,278,630)	(1,171,380)
Unrealized profit from sales	163	1,524			
Realized profit from sales	(554)	(278)			
Profit from lease modification	(32)	-			
Changes in operating assets and liabilities:					
Decrease (increase) in financial assets at fair value through profit or loss	(136,456)	(52,922)			
Decrease (increase) in contract assets	151,066	(18,516)	Cash flows from financing activities:		
Decrease (increase) in notes receivable	112,778	39,237	Increase in short-term borrowings	4,670,382	3,341,344
Decrease (increase) in trade receivables	(685,910)	(318,587)	Decrease in short-term borrowings	(4,550,369)	(3,568,210)
Decrease (increase) in other receivables	15,350	(26,429)	Increase in short-term notes and bills payable	3,870,000	3,781,859
Decrease (increase) in inventories	(121,385)	988,284	Decrease in short-term notes and bills payable	(5,400,000)	(3,981,304)
Decrease (increase) in biological assets	(2,738)	(1,366)	Proceeds from long-term borrowings	1,300,000	541,300
Decrease (increase) in other current assets	(270,283)	2,261	Payments of long-term borrowings	(252,126)	(405,618)
Decrease (increase) in other financial assets	97,330	1,133,558	Decrease in other payables	-	(550,000)
Decrease (increase) in incremental costs of obtaining a contract	(37,826)	18,161	Increase in guarantee deposits received	183,177	-
Decrease (increase) in net defined benefit assets	(862)	(1,159)	Decrease in guarantee deposits received	-	(11,649)
Increase (decrease) in contract liabilities	244,351	948,556	Cash payments for the principal portion of the lease liabilities	(5,734)	(5,042)
Increase (decrease) in notes payable	(90,271)	(85,191)	Cash dividends paid by subsidiaries	-	(8,933)
Increase (decrease) in accounts payable	(134,454)	(350,748)	Acquisition of ownership interests in subsidiaries	(49,723)	-
Increase (decrease) in other payables	(49,586)	(291,156)	Net cash provided by (used in) financing activities	(234,393)	(866,253)
Increase (decrease) in provisions	(10,151)	(15,688)			
Increase (decrease) in other current liabilities	(54,312)	22,633			
Cash generated from provided by (used in) operations	(248,236)	3,150,250			
Interest received	44,721	38,180	Effect of exchange rate changes on cash and cash equivalents	(22,396)	13,956
Dividend received	7,111	12,869			
Interest paid	(85,410)	(92,323)	Net increase (decrease) in cash and cash equivalent	(2,109,756)	730,164
Income taxes paid	(292,523)	(355,135)	Cash and cash equivalents at the beginning of period	5,675,473	2,748,076
Net cash provided by (used in) operating activities	(574,337)	2,753,841	Cash and cash equivalents at the end of period	\$3,565,717	\$3,478,240

(The accompanying notes are an integral part of the consolidated financial statements)

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the six-month periods ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Long Bon International Co., Ltd. (“the Company”) was established on January 22, 1988, in accordance with the Company Act of the Republic of China. The Company’s registered office address is located at 9F., No. 50, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.) Originally known as Long Bon Construction Co., Ltd., with its common stock listed on the Taiwan Stock Exchange (TWSE) in September 1992, the Company was renamed Long Bon Development Co., Ltd. in 1997, and renamed Long Bon International Co., Ltd. again in 2009. The major business activities of the Company and its subsidiaries (“the Group”) are the commercial building rental and sale service, management and operation of funeral and entertainment facility, property investment and development, and architecture and civil engineering, and manufacturing and sale of cooking oil, food, beverages and fodder. Please refer to Note 4(3) for further information.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month periods ended June 30, 2025 and 2024 were authorized for issue by the Board of Directors on August 12, 2025.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

A. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Amendments to the Classification and Measurement of Financial Instruments –
Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c) and (d), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

- A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (a) and (b) , it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Group’s voting rights and potential voting rights

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Everwin Investment Co., Ltd. (Everwin Investment)	Investment in various production businesses	100.00%	100.00%	100.00%	
"	Taisun Enterprise Co., Ltd. (Taisun Co.)	Manufacturing and sale of food and beverage	38.34%	38.34%	38.34%	Note 5
"	Long Bao Co., Ltd. (Long Bao International)	Funeral facilities operation	100.00%	100.00%	100.00%	Note 1
"	Longji Holdings Private Limited (Longji Holdings)	Land development and investment	-%	-%	96.89%	Note 2
"	Reiju Construction Co., Ltd. (Reiju Construction)	Civil and construction engineering management, etc.	90.10%	90.10%	90.10%	
"	Longfu Real Estate Co., Ltd. (Longfu Real Estate)	Funeral facilities operation	100.00%	100.00%	100.00%	Note 1
"	Longde International Development Co., Ltd. (Longde Development)	Investment in various production businesses	100.00%	100.00%	100.00%	Note 1
"	Sky Honor International Co., Ltd.	Funeral brokerage service	45%	45%	45%	Note 1 and Note 4

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Everwin Investment	Longhui Development Co., Ltd. (Longhui Development)	Investment in various production businesses	100.00%	100.00%	100.00%	Note 1
"	Tonghwa International Golf Recreation Co., Ltd. (Tonghwa International)	Management of sport facilities	100.00%	100.00%	100.00%	Note 1 and Note 5
"	Taisun Enterprise Co., Ltd. (Taisun Co.)	Manufacturing and sale of food and beverage	11.66%	11.66%	11.66%	
Longfu Real Estate	Sanzhi Chih An Garden Co., Ltd. (Cian Garden)	Funeral facilities operation	100.00%	100.00%	100.00%	Note 1
Longhui Development Co., Ltd.	North Bay Recreation Co., Ltd. (North Bay Recreation)	Management of sport facilities	99.41%	99.41%	99.41%	
Long Bao Co., Ltd.	Sky Honor International Co., Ltd.	Funeral brokerage service	55%	-%	-%	Note 1 and Note 4
Tonghwa International Golf Recreation Co., Ltd.	Taisun Enterprise Co., Ltd. (Taisun Co.)	Manufacturing and sale of food and beverages	0.49%	-%	-%	Note 5
Rei Ju Construction Co., Ltd.	Reicheng Construction Co., Ltd. (Ruicheng Construction)	Engineering management, etc.	100.00%	100.00%	100.00%	Note 1
"	Xiamen-RJ Architectural Engineering Co., Ltd. (Xiamen Reiju)	Construction management consulting	89.23%	89.23%	89.23%	"
"	Ryan Development Corp. (Ryan Development)	Investment and development of real estate	100.00%	100.00%	100.00%	Note 1
"	Shengji Interior Decoration Co., Ltd. (Shengji)	Interior renovation	-%	-%	100.00%	Note 3
Taisun Enterprise Co., Ltd.	Pin-Tai Distribution Enterprise Co., Ltd. (Pin-Tai)	Wholesale and retail of cooking oils and foods	99.93%	99.93%	99.93%	
"	Taisun Yuan Co., Ltd. (Taisun Yuan)	Investment management	100.00%	100.00%	100.00%	Note 1
"	Taisun (Cayman) Investment Ltd. (Taisun (Cayman))	Investment	100.00%	100.00%	100.00%	
"	Taiwan Nikomart Co., Ltd. (Taiwan Nikomart)	Operation of a chain of convenience stores	73.92%	73.92%	73.92%	Note 1
"	Chuang Shin Traffic Co., Ltd. (Chuang Shin)	Logistics	13.26%	13.26%	13.26%	"
Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd. (Taiwan Nikomart)	Operation of a chain of convenience stores	24.20%	24.20%	24.20%	"
"	Chuang Shin Traffic Co., Ltd. (Chuang Shin)	Logistics	84.21%	84.21%	84.21%	"
Taisun (Cayman) Investment, Ltd.	Taisun Enterprise (Zhangzhou) Foods Ltd. (Taisun Enterprise (Zhangzhou))	Production and sale of food, beverages, snacks, and products	100.00%	100.00%	100.00%	

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note 1: The company is a non-significant subsidiary, its financial statements had not been reviewed by auditors.

Note 2: For the three-month periods ended June 30, 2025, LongJi Holdings Private Limited was liquidated.

Note 3: On September 15, 2024, Shengji Interior Decoration Co., Ltd. was liquidated.

Note 4: The Group, due to operational needs, has acquired 55% of the outstanding shares of Sky Honor International Co., Ltd. through its subsidiary Long Bao Co., Ltd. As a result, the Group now holds 100% of the voting shares of Sky Honor International Co., Ltd. The entity was therefore included in the consolidated financial reports on March 17, 2025. For further details, please refer to Note 6 (25).

Note 5: Tonghwa International purchased 2,465 thousand shares of Taisun Enterprise Co. Ltd. in the open market between April and May, 2025, totaling NT\$49,724 thousand. As of June 30, 2025, the Group held a total of 50.49% equity in Taisun Enterprise Co. Ltd.

The financial statements of some of the consolidated subsidiaries listed above were not reviewed by auditors. As at June 30, 2025 and 2024, the related assets of the subsidiaries which were unreviewed by auditors amounted to NT\$3,640,336 thousand and NT\$4,601,323 thousand, respectively, and the related liabilities amounted to NT\$1,319,046 thousand and NT\$2,036,259 thousand, respectively. The comprehensive income of these subsidiaries amounted to NT\$32,030 thousand, NT\$12,830 thousand, NT\$48,712 thousand and NT\$28,192 thousand for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.

- (4) Except for the following accounting policies, the accounting policies adopted in the Group's consolidated financial statements for the six-month periods ended June 30, 2025 and 2024, are consistent with those used in the consolidated financial statements for the year ended December 31, 2024. For a summary of other accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2024.

(a) Post-employment benefits

Pension costs for the interim period are calculated based on the pension cost rate determined by actuarial valuation as at the end of the previous year, applied from the beginning of the year to the end of the current period. Adjustments are made for significant market fluctuations, material curtailments, settlements, or other significant one-time events occurring after the end of the previous year, and these adjustments are disclosed.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Income taxes

Income tax expenses for the interim period are accrued and disclosed using the tax rate applicable to the expected total annual earnings. This means applying the estimated annual average effective tax rate to the pre-tax income for the interim period. The estimate of the annual average effective tax rate only includes the current period income tax expense, while deferred income taxes are recognized and measured in accordance with IAS 12 'Income Taxes' and are consistent with the annual financial reporting. If there is a tax rate change during the interim period, the effect of the change on deferred income taxes is recognized in full in profit or loss, other comprehensive income, or directly in equity.

5. Significant accounting judgements, estimates and assumptions

The primary sources of significant accounting judgments, estimates, and assumptions used in the Group's consolidated financial statements for the six-month periods ended June 30, 2025 and 2024, are the same as those used in the consolidated financial statements for the year ended December 31, 2024. Please refer to the Group's consolidated financial statements for the year ended December 31, 2024.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand & demand deposits	\$990,560	\$1,217,710	\$1,881,865
Check deposits	6,551	7,141	12,943
Time deposits (Note)	2,247,606	4,052,740	1,545,570
Short-term notes with resale agreements	321,000	397,882	37,862
Total	<u>\$3,565,717</u>	<u>\$5,675,473</u>	<u>\$3,478,240</u>

Note: The deposits will mature within 3 months of the contract period, and they can be converted into a fixed amount of cash at any time with very little fluctuation in value.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial assets at fair value and Financial assets at amortized cost

A. Financial assets at fair value

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Mandatorily measured at fair value through profit or loss - current:			
Listed companies' stocks	\$62,922	\$64,739	\$68,541
Beneficiary certificate - open end funds	395,350	257,980	356,074
Total	<u>\$458,272</u>	<u>\$322,719</u>	<u>\$424,615</u>

The Group's financial assets measured at fair value through profit or loss were not pledged.

B. Financial assets at amortized cost

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Bonds	\$591,979	\$729,430	\$826,495
Time deposits	-	-	350,434
Unlisted domestic companies' preferred stocks (Note)	27,100	39,990	-
Others	520	520	-
Total	<u>\$619,599</u>	<u>\$769,940</u>	<u>\$1,176,929</u>

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$322,028	\$459,488	\$826,495
Non-current	297,571	310,452	350,434
Total	<u>\$619,599</u>	<u>\$769,940</u>	<u>\$1,176,929</u>

(Note: For contingencies related to this investment, please refer to Note 9 for details.)

Please refer to Note 8 for more details on the financial assets at amortized cost under pledge.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Equity instrument investments measured at fair value through other comprehensive income – non – current:			
Listed domestic companies' stocks	\$1,501,262	\$1,367,935	\$1,415,058
Domestic Emerging Stock Market Stocks	12,255	16,875	20,925
Unlisted domestic companies' stocks	364,197	347,424	352,539
Unlisted foreign companies' stocks	-	1,541	2,973
Total	<u>\$1,877,714</u>	<u>\$1,733,775</u>	<u>\$1,791,495</u>

A. The Group holds these equity instruments as long-term strategic instrument instead of trading purpose and are accounted under fair value through other comprehensive income.

B. The dividend income of the aforementioned equity investments designated as measured at fair value through other comprehensive income amounted to NT\$14,960 thousand and NT\$9,922 thousand for the six-month periods ended June 30, 2025 and 2024, respectively.

C. In consideration of the Group's investment strategy, the Group disposed of and derecognized some equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the six-month periods ended June 30, 2025 and 2024 are as follows:

	6-month periods ended	
	June 30, 2025	June 30, 2024
The fair value of the investments at the date of derecognition	\$9,368	\$-
The cumulative loss on disposal from reclassification from other equity to retained earnings— Equity attributable to the Company's recognition on a proportionate basis	(22,212)	-

D. Please refer to Note 12 for more details on credit risk.

E. Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Notes receivables and trade receivables (including related parties)

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Note receivables from operating activities	\$271,741	\$384,519	\$473,329
Trades receivables	1,655,939	931,234	1,607,692
Debt collection	11,863	11,875	21,937
Less: loss allowance	(16,410)	(16,146)	(51,177)
Subtotal	1,651,392	926,963	1,578,452
Trades receivables - related parties	239,610	278,464	237,786
Notes receivables - related parties	-	-	12
Subtotal	239,610	278,464	237,798
Total	<u>\$2,162,743</u>	<u>\$1,589,946</u>	<u>\$2,289,579</u>

Notes receivables and trades receivables were not pledged.

The credit terms offered to customers by the Group vary by industry. In the food industry, the terms are typically 30 to 90 days; in the construction industry, the terms vary depending on the contract and may involve advance payments or payments according to the progress of the work; transactions in other industries such as entertainment and funeral services with consumers are conducted with cash or credit card payments. As of June 30, 2025, December 31, 2024 and June 30, 2024, the total carrying values of the account receivables (excluding allowance for losses) amounted to NT\$2,179,153 thousand, NT\$1,606,092 thousand and NT\$2,340,756 thousand respectively. The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trades receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. In accordance with IFRS9, the Group assesses impairment, reserves for losses, and related information. Please refer to Note 6 (19) for details on impairment and Note 12 for information related to credit risk.

The Group's construction segment entered mediation procedures or is involved in litigation regarding specific trades and notes receivable. please refer to Note 9 for more details.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Inventories

A. Edible oils and fats/food/beverage/animal feed/Recreation Business

Operations/Columbarium:

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$125,758	\$493,198	\$352,145
Supplies	52,767	39,901	34,477
Work in progress	280,170	193,980	206,774
Finished goods	1,023,318	653,365	501,757
Merchandise	68,450	66,960	96,215
Total	<u>\$1,550,463</u>	<u>\$1,447,404</u>	<u>\$1,191,368</u>

B. Construction/Funeral Business Operations:

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Land for construction	\$911,345	\$904,052	\$900,706
Building, land and columbarium pagoda niche under construction	595,259	578,378	1,692,265
Land and buildings for sale	2,012	2,012	2,012
Buildings, land, and columbarium pagoda niche or spirit tablets for sale	669,600	672,829	684,290
Less: loss on inventory valuation	(2,012)	(2,012)	(2,012)
Total	<u>\$2,176,204</u>	<u>\$2,155,259</u>	<u>\$3,277,261</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month and six-month periods ended June 30, 2025 and 2024, the details of cost of goods sales were as follows:

	3-month periods ended		6-month periods ended	
	June 30,	June 30,	June 30,	June 30,
	2025	2024	2025	2024
Reclassification of inventory sold	\$1,997,698	\$2,073,519	\$4,087,499	\$5,351,742
Construction costs	2,552,279	2,638,053	4,498,448	4,775,089
Recreation costs	35,855	34,501	70,481	63,660
Lease costs	6,986	6,650	9,743	8,558
Funeral service costs	9,145	4,745	15,774	12,868
Loss (gain) on inventory valuation	4,273	(53)	13,880	98
Total	<u>\$4,606,236</u>	<u>\$4,757,415</u>	<u>\$8,695,825</u>	<u>\$10,212,015</u>

- (a) Please refer to Note 9 for details on the development methods of the Group's properties under construction. Additionally, the Group recognized gain from inventory price recovery due to the destocking of inventories for the three-month period ended June 30, 2024.
- (b) Additionally, in November 2023, the Group's board of directors resolved to sell all the under—construction real estate located at various sections in the Shuanglian area of Datong District, Taipei City, to the joint construction developer involved in the project, for a total contract price of NT\$680 million. For more details, please refer to Note 9. The transfer of this land transaction was completed in January 2024.
- (c) The subsidiary holds the land in the Xinweiling land section of Nantou City in an individual's name, and the land has been mortgaged to the subsidiary.
- (d) Please refer to Note 8 for details on inventories under pledge.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Other financial assets - current and non-current

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Current:			
Time deposits with original maturities from 3 months to 1 year:			
NTD time deposits	\$195,303	\$235,713	\$168,000
Foreign currency time deposits	74,661	67,369	-
Restricted bank deposits	1,250,556	1,299,697	913,682
Construction deposits paid	29,598	42,651	71,007
Engineering guarantee funds	20,520	22,538	23,737
Subtotal	<u>1,570,638</u>	<u>1,667,968</u>	<u>1,176,426</u>
Non-current:			
Time deposits with original maturities more than 1 year:			
Foreign currency time deposits	\$204,550	\$224,564	\$178,643
Restricted bank deposits	148,208	121,545	462,250
Trust account	189,249	119,519	-
Guarantee deposits paid	97,556	58,623	56,535
Guarantee deposits paid (false execution collateral)	1,202,600	-	-
Guarantee deposits paid (security for litigation expenses)	210,000	210,000	210,000
Subtotal	<u>2,052,163</u>	<u>734,251</u>	<u>907,428</u>
Total	<u><u>\$3,622,801</u></u>	<u><u>\$2,402,219</u></u>	<u><u>\$2,083,854</u></u>

Due to the investment refund dispute with JKO FinTech Co., Ltd., the Group deposited NT\$1,198,600 thousand with the Taipei District Court in Taiwan in May 2025 as a guarantee to apply for provisional execution, and recognized the amount under other financial assets - non-current, refundable deposits. For more information, refer to Note 6 (12).

Please refer to Note 8 for assets pledged as collaterals.

(7) Other current assets - other

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for goods and works	\$1,024,313	\$839,614	\$1,060,939
Other prepayments, etc.	277,189	184,817	260,225
Total	<u><u>\$1,301,502</u></u>	<u><u>\$1,024,431</u></u>	<u><u>\$1,321,164</u></u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As at					
	June 30,		December 31,		June 30,	
	2025		2024		2024	
	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)
Investments in associates:						
Sky Honor International Co., Ltd.(Note)	\$-	-%	\$-	45.00%	\$1,790	45.00%
Reiying Construction Co, Ltd.	130	39.00%	345	39.00%	808	39.00%
Central Union Oil Corp.	314,498	33.33%	323,843	33.33%	296,562	33.33%
Total	<u>\$314,628</u>		<u>\$324,188</u>		<u>\$299,160</u>	

Note: incorporated into the consolidated report on March 17, 2025

A. The investments in the associated enterprises listed in the table above are not material to the Group. The consolidated book value of the Group's investments in other associated enterprises as of June 30, 2025, December 31, 2024 and June 30, 2024, amounted to NT\$314,628 thousand, NT\$324,188 thousand and NT\$299,160 thousand, respectively. The aggregate financial information of the Group's investments in other Investments in associates is as follows:

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Equity attributable to the Group:				
Profit or loss from continuing operations	\$12,703	\$13,110	\$34,049	\$25,599
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$12,703</u>	<u>\$13,110</u>	<u>\$34,049</u>	<u>\$25,599</u>

The associates had no contingent liabilities or capital commitments as of June 30, 2025, December 31, 2024 and June 30, 2024, and were not pledged.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Property, plant and equipment

						Stadium construction			
	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	and equipment	Other	Construction in progress	Total
Cost:									
As of January 1, 2025	\$11,092,635	\$2,442,450	\$1,239,382	\$124,761	\$42,938	\$56,512	\$493,497	\$127,616	\$15,619,791
Combinations	-	-	-	-	991	-	121	-	1,112
Additions	15,780	1,887	397	1,550	791	1,098	9,239	82,525	113,267
Disposals	-	(100)	(86,875)	(6,792)	(3,233)	-	(3,627)	-	(100,627)
Reclassifications and others	(396,808)	(216,314)	55	-	-	180	-	(2,941)	(615,828)
Exchange differences	-	(12,688)	(19,238)	(971)	(1,341)	-	-	-	(34,238)
As of June 30, 2025	<u>\$10,711,607</u>	<u>\$2,215,235</u>	<u>\$1,133,721</u>	<u>\$118,548</u>	<u>\$40,146</u>	<u>\$57,790</u>	<u>\$499,230</u>	<u>\$207,200</u>	<u>\$14,983,477</u>
As of January 1, 2024	\$10,151,277	\$2,309,726	\$1,210,135	\$115,643	\$48,595	\$50,596	\$398,375	\$157,586	\$14,441,933
Additions	-	1,943	2,349	17,072	178	95	22,520	27,817	71,974
Disposals	-	-	-	(2,569)	-	-	-	-	(2,569)
Reclassifications	154,240	(54,829)	2,620	-	(29)	-	28,226	(46,817)	83,411
Exchange differences	-	4,195	6,367	310	460	-	-	-	11,332
As of June 30, 2024	<u>\$10,305,517</u>	<u>\$2,261,035</u>	<u>\$1,221,471</u>	<u>\$130,456</u>	<u>\$49,204</u>	<u>\$50,691</u>	<u>\$449,121</u>	<u>\$138,586</u>	<u>\$14,606,081</u>
Depreciation and impairment:									
As of January 1, 2025	\$-	\$(1,583,658)	\$(951,633)	\$(83,999)	\$(38,879)	\$(42,089)	\$(214,124)	\$-	\$(2,914,382)
Combinations	-	-	-	-	(705)	-	(117)	-	(822)
Depreciation	-	(24,444)	(37,290)	(4,955)	(1,163)	(1,473)	(28,375)	-	(97,700)
Disposals	-	100	85,169	4,971	3,207	-	2,856	-	96,303
Reclassifications	-	112,004	3	-	-	(3)	-	-	112,004
Exchange differences	-	10,237	17,039	744	1,213	-	-	-	29,233
As of June 30, 2025	<u>\$-</u>	<u>\$(1,485,761)</u>	<u>\$(886,712)</u>	<u>\$(83,239)</u>	<u>\$(36,327)</u>	<u>\$(43,565)</u>	<u>\$(239,760)</u>	<u>\$-</u>	<u>\$(2,775,364)</u>
As of January 1, 2024	\$-	\$(1,573,485)	\$(870,893)	\$(76,433)	\$(43,765)	\$(39,231)	\$(161,678)	\$-	\$(2,765,485)
Depreciation	-	(25,658)	(37,891)	(5,249)	(1,134)	(1,675)	(24,743)	-	(96,350)
Disposals	-	-	-	1,035	-	-	-	-	1,035
Reclassifications	-	42,018	-	-	12	-	-	-	42,030
Exchange differences	-	(3,228)	(5,449)	(249)	(419)	-	-	-	(9,345)
As of June 30, 2024	<u>\$-</u>	<u>\$(1,560,353)</u>	<u>\$(914,233)</u>	<u>\$(80,896)</u>	<u>\$(45,306)</u>	<u>\$(40,906)</u>	<u>\$(186,421)</u>	<u>\$-</u>	<u>\$(2,828,115)</u>
Net carrying amount as at:									
June 30, 2025	<u>\$10,711,607</u>	<u>\$729,474</u>	<u>\$247,009</u>	<u>\$35,309</u>	<u>\$3,819</u>	<u>\$14,225</u>	<u>\$259,470</u>	<u>\$207,200</u>	<u>\$12,208,113</u>
December 31, 2024	<u>\$11,092,635</u>	<u>\$858,792</u>	<u>\$287,749</u>	<u>\$40,762</u>	<u>\$4,059</u>	<u>\$14,423</u>	<u>\$279,373</u>	<u>\$127,616</u>	<u>\$12,705,409</u>
June 30, 2024	<u>\$10,305,517</u>	<u>\$700,682</u>	<u>\$307,238</u>	<u>\$49,560</u>	<u>\$3,898</u>	<u>\$9,785</u>	<u>\$262,700</u>	<u>\$138,586</u>	<u>\$11,777,966</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- A. The Group holds the land in the Xiajiao land section, Shimen District, New Taipei City in an individual's name, and the asset security measures for said land have been completed for the subsidiary.
- B. Due to legal restrictions prohibiting private juristic persons from assuming ownership of Designated Agricultural Area for Farming and Pasture Lands, the ownership of the 14 pieces of arable lands with a total value of NT\$53,164 thousand that are located at Nos. 185 and 186 in Daxin Section of Beidou Township, Changhua County., was transferred to natural persons(chairman of the company). The Group maintains the original land ownership certificate as a means of security.
- C. Components of building that have different useful lives are main building structure, mechanical and electrical equipment and other equipment, which are depreciated over their respective useful lives.
- D. Please refer to Note 8 for more details on property, plant and equipment under pledged.

(10) Investment property

The Group's investment properties includes both owned investment properties and investment properties held by the Group as right-of-use assets. The investment properties held by the Group for leases contain an initial non-cancellable period of 10 years with terms of adjusting rents according to market conditions every year. Some of these contracts provide the Group options to extend the leases.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	Land and land improvement	Buildings	Total
Cost:			
As at January 1, 2025	\$2,018,558	\$379,494	\$2,398,052
Additions	-	809	809
Disposals	-	(3,007)	(3,007)
Reclassifications	396,808	219,020	615,828
Exchange differences	-	(120)	(120)
As at June 30, 2025	<u>\$2,415,366</u>	<u>\$596,196</u>	<u>\$3,011,562</u>
As at January 1, 2024	\$3,001,250	\$526,871	\$3,528,121
Reclassifications	(208,659)	(2,174)	(210,833)
Exchange differences	-	40	40
As at June 30, 2024	<u>\$2,792,591</u>	<u>\$524,737</u>	<u>\$3,317,328</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land and land improvement	Buildings	Total
Depreciation and impairment:			
As at January 1, 2025	\$(58,826)	\$(217,255)	\$(276,081)
Depreciation	-	(3,622)	(3,622)
Disposals	-	3,007	3,007
Reclassifications	-	(112,004)	(112,004)
Exchange differences	-	66	66
As at June 30, 2025	<u>\$(58,826)</u>	<u>\$(329,808)</u>	<u>\$(388,634)</u>
As at January 1, 2024	\$(58,826)	\$(214,051)	\$(272,877)
Depreciation	-	(3,982)	(3,982)
Reclassifications	-	(5,507)	(5,507)
Exchange differences	-	(20)	(20)
As at June 30, 2024	<u>\$(58,826)</u>	<u>\$(223,560)</u>	<u>\$(282,386)</u>
Net carrying amount:			
As at June 30, 2025	<u>\$2,356,540</u>	<u>\$266,388</u>	<u>\$2,622,928</u>
As at December 31, 2024	<u>\$1,959,732</u>	<u>\$162,239</u>	<u>\$2,121,971</u>
As at June 30, 2024	<u>\$2,733,765</u>	<u>\$301,177</u>	<u>\$3,034,942</u>
Fair value:			
As at June 30, 2025			<u>\$4,192,062</u>
As at December 31, 2024			<u>\$3,412,884</u>
As at June 30, 2024			<u>\$4,276,869</u>

A. Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period that runs from 1 to 10 years. Subsequent renewals are negotiated with the lessee and no contingent rents are charged.

B. The Group does not measure the investment real estate held by the Group at fair value and only discloses information about its fair value, which is classified in Level 3 of the fair value hierarchy. The fair values as at the respective financial reporting dates mentioned above are determined based on recent market transaction prices and market prices of similar properties in the nearby area (including the Ministry of the Interior's real estate transaction price inquiry service and real estate agency websites), or assessed by independent valuation professionals.

C. Please refer to Note 8 for more details on investment property under pledged.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Intangible assets

The Group recognized amortization of intangible assets amounting to NT\$5,304 thousand and NT\$4,479 thousand for the six-month periods ended June 30, 2025 and 2024, respectively, which are accounted for as operating costs and expenses in Note 6 (20).

(12) Prepayments for investments

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for investments	<u>\$3,600,000</u>	<u>\$3,600,000</u>	<u>\$3,600,000</u>

A. The 22nd Board of Directors held the 12th meeting on May 5, 2023 of the Taisun Enterprise Co., Ltd., which had been rescheduled from April 20, 2023 to discuss the equity investment in JKO FinTech Co., Ltd. The proposal included a subscription to approximately NT\$2.2 billion of common stocks of JKO FinTech Co., Ltd. through a capital injection at around NT\$24.63 per share (referred to as the “NT\$2.2 Billion Cash Injection”). Additionally, the proposal involved acquiring shares of JKO FinTech Co., Ltd., amounting to approximately NT\$1.4 billion, held by Dorian Innovation Limited (Dorian) at around NT\$24.63 per share. The total shares involved in the transaction amounted to 146,166 thousand shares, with a total transaction amount of NT\$3.6 billion. The proposal was approved by the four directors of Taisun Co., while three of these four directors declined to participate in the meeting held on May 5, 2023. Following this, on May 6, 2023, Taisun Enterprise Co., Ltd. entered into an agreement with JKO FinTech Co., Ltd. and Dorian Innovation Limited (Dorian), and on May 8, 2023, an amount of NT\$3.6 billion (including the payment to be made to Innovation Limited (Dorian) as per the agreement) was paid in full to JKO FinTech Co., Ltd., totaling NT\$3.5958 billion less the securities transaction tax in the amount of NT\$4.2 million withheld by Taisun Enterprise Co., Ltd.

On May 15, 2023, Taisun Enterprise Co., Ltd. received a preliminary injunction filed by Everwin Investment Co., Ltd. to the Intellectual Property and Commercial Court, which prohibited Taisun Enterprise Co., Ltd. from executing the aforementioned equity investment and investment in a bottled water plant. Subsequently, on May 22, 2023, Taisun Co received a ruling from the Intellectual Property and Commercial Court granting the preliminary injunction filed by Everwin Investment Co., Ltd., prohibiting Taisun Enterprise Co., Ltd. from executing the equity investment in JKO FinTech Co., Ltd. and the investment in the bottled water plant that were approved by the Board of Directors on May 5, 2023, until the final ruling of the litigation. Everwin Investment Co., Ltd., in order to sustain the efficacy of the previously established interim disposition, has initiated legal proceedings within the statutory period to challenge the validity of the board resolution pertaining to the equity investment in JKO FinTech Co., Ltd.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- B. In light of the aforementioned legal action brought by Everwin Investment Co., Ltd. against Taisun Enterprise Co., Ltd., contesting the validity of the NT\$3.6 billion equity investment case in JKO Fintech Co., Ltd., and the fact that the person who signed the agreement on behalf of Taisun Enterprise Co., Ltd. did not obtain legal and valid authorization, resulting in both parties unable to perform their obligations and they shall be mutually obligated to make restoration to the original state. Therefore, Taisun Enterprise Co., Ltd. formally requested the return of the transaction price of NT\$3.5958 billion from JKO Fintech Co., Ltd. in July 2023, but did not receive a response. Consequently, Taisun Enterprise Co., Ltd. filed an action with the Taiwan Taipei District Court on August 30, 2023, requesting the return of the investment amount from JKO Fintech Co., Ltd.

The action requesting JKO FinTech Co., Ltd. to return the investment amount to Taisun Enterprise Co., Ltd. has been adjudicated by the Taiwan Taipei District Court on May 13, 2025, which was ruled in favor of Taisun Enterprise Co., Ltd. JKO FinTech Co., Ltd. is ordered to return the transaction price of NT\$3.5958 billion along with interest calculated at an annual rate of 5% from September 8, 2023, until the date of repayment to Taisun Enterprise Co., Ltd.. However, JKO FinTech Co., Ltd. has appealed, which is currently under review at the Taiwan High Court.

Subsequently, on May 22, 2025, Taisun Enterprise Co., Ltd. deposited NT\$1.1986 billion as a guarantee (recorded under other financial assets - non-current) with the Taiwan Taipei District Court and filed for provisional execution with the civil enforcement office of the court, seeking to seize the relevant assets of JKO FinTech Co., Ltd. within the scope of the principal and interest requested in this case, totaling approximately NT\$3.8913 billion.

After Taisun Enterprise Co., Ltd. filed for provisional execution, the enforcement court, upon Taisun Enterprise Co., Ltd.'s request, seized JKO FinTech Co., Ltd.'s bank accounts and conducted on-site enforcement on July 10, 2025. Additionally, Taisun Enterprise Co., Ltd. has legally requested the court to order JKO FinTech Co., Ltd. to report its asset status. Taisun Enterprise Co., Ltd. will consider additional seizures and claims based on the subsequent report (such as the company's claims against third parties, etc.).

- C. In addition to the foregoing, there are concerns regarding the legality and efficacy of the 12th meeting of the 22nd Board of Directors of Taisun Enterprise Co., Ltd., aside from doubts about its enforceability. Pursuant to the agreement between the parties, each counterparty is obligated to deliver shares to Taisun Enterprise Co., Ltd. as a presentation of the acquisition of equity. However, the Industrial Development Bureau of the Ministry of Economic Affairs rejected JKO FinTech Co., Ltd.'s application for capitalization issue of new shares and amendment to the articles of incorporation on October 27, 2023 (i.e., the NT\$2.2 billion cash capital increase case). Dorian also proactively withdrew its application for equity transaction submitted to the Department of Investment Review of the Ministry of Economic Affairs (hereinafter referred to as the Department of Investment Review) in August 2023 and resubmitted the application in May 2024, which was again rejected by the Department of Investment Review in July 2024.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As a result, neither JKO FinTech Co., Ltd. nor Dorian delivered the shares to Taisun Enterprise Co., Ltd. as agreed. To protect Taisun Enterprise Co., Ltd.'s rights, a letter was sent to terminate the new share subscription agreement and the share purchase agreement based on the contractual provisions. Given that the Company ultimately did not acquire any shares, the amount of NT\$3.5958 billion that has been remitted, along with the withheld but unpaid securities transaction tax of NT\$4.2 million, totaling NT\$3.6 billion, is recorded under prepaid investment.

Due to Taisun Enterprise Co., Ltd.'s desire to recover the future economic benefits of this prepaid investment through litigation, it seeks to reclaim the remitted amount of NT\$3.5958 billion from JKO FinTech Co., Ltd. Although Taisun Enterprise Co., Ltd. has filed an action with the Taiwan Taipei District Court and received a favorable judgment, given that Taiwan's civil litigation follows a three-tier appeal system, JKO FinTech Co., Ltd. still has the right to appeal. Therefore, the outcome of this case remains uncertain, and Taisun Enterprise Co., Ltd. has not yet reclassified the aforementioned prepaid investment as receivables based on the judgment result. Once the litigation process is finalized and Taisun Enterprise Co., Ltd.'s receivables from JKO FinTech Co., Ltd. and Dorian are confirmed, Taisun Enterprise Co., Ltd. will reclassify the relevant accounting items (such as prepaid investments) according to the applicable accounting standards and transfer them to other receivables. At that time, Taisun Enterprise Co., Ltd. will also measure these receivables in accordance with International Financial Reporting Standard No. 9 "Financial Instruments."

Conversely, if the lawsuit confirming the invalidity of the board resolution regarding the equity investment case in JKO FinTech Co., Ltd. concludes with an unfavorable final judgment, or if Taisun Enterprise Co., Ltd.'s lawsuit for the return of the investment amount against JKO FinTech Co., Ltd. also is ruled unfavorable, and that Taisun Enterprise Co., Ltd. actually acquires the shares involved in the transaction, then the amount originally paid by Taisun Enterprise Co., Ltd. will no longer be treated as a prepaid amount. At that time, appropriate accounting recognition and measurement of the transaction related to Taisun Enterprise Co., Ltd.'s acquisition of such equity will be conducted in accordance with the relevant financial reporting standards for securities issuers and international accounting standards. This includes, but is not limited to, determining whether the investment constitutes a business combination, an associate status, or should be treated under International Financial Reporting Standard No. 9 "Financial Instruments." However, the applicability of these standards will still depend on Taisun Enterprise Co., Ltd.'s shareholding ratio in JKO FinTech Co., Ltd., the accompanying economic substance, and relevant legal conditions at that time.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- D. Although whether Taisun Enterprise Co., Ltd. ultimately obtains receivables or equity in JKO FinTech Co., Ltd. from the prepaid investment will only be confirmed after the conclusion of the litigation process, regardless of the ultimate recognition as receivables or equity, the recoverability of the receivables or the value of the equity is highly correlated with the financial condition of JKO FinTech Co., Ltd. According to the Ministry of Economic Affairs' business registration public information query service website, as of the date of this financial report's release, JKO FinTech Co., Ltd. still holds 100% equity in JKO Electronic Payment Co., Ltd. and approximately 25% equity in JKO Securities Investment Trust Co., Ltd. Therefore, the security of the future economic benefits of this prepaid investment by Taisun Enterprise Co., Ltd. will depend on the fair value of the aforementioned long-term investments, the overall financial condition of the JKO Group, and the progress of Taisun Enterprise Co., Ltd.'s provisional execution process.
- E. In summary, as of June 30, 2025, Everwin Investment Co., Ltd. and Taisun Enterprise Co., Ltd. have respectively deposited NT\$210 million and NT\$1.1986 billion as guarantees with the court due to the aforementioned litigation cases, recorded under other financial assets - non-current. Please refer to Note 8 for details.

(13) Short-term borrowings

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$40,000	\$70,000	\$127,134
Secured bank loans	2,174,013	2,024,000	2,137,000
Total	<u>\$2,214,013</u>	<u>\$2,094,000</u>	<u>\$2,264,134</u>
Unused credit lines	<u>\$1,904,095</u>	<u>\$2,290,908</u>	<u>\$1,228,182</u>
Range of interest rates	<u>2.32%~3.18%</u>	<u>2.15%~3.10%</u>	<u>2.15%~3.10%</u>

Please refer to Note 8 for more details on assets pledged as security for short-term borrowings.

In addition, during 2023, the Group obtained financing totaling NT\$550,000 thousand from three individuals. These loans did not specify loan period and interest. The Group accounted for current liabilities-other payables. The aforementioned amount has been repaid in January 2024.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Short-term notes payable

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper payable	\$370,000	\$1,900,000	\$1,900,000
Less: Discount on short-term notes payables	(1,360)	(3,014)	(3,516)
Total	<u>\$368,640</u>	<u>\$1,896,986</u>	<u>\$1,896,484</u>
Range of interest rates	<u>2.95%~3.10%</u>	<u>2.95%~3.48%</u>	<u>2.92%~3.45%</u>

(15) Long-term borrowings

Details of long-term loans as at June 30, 2025, December 31, 2024 and June 30, 2024, are as follows:

Lenders	As at June 30, 2025	Interest Rate (%)
Secured bank loans	\$2,804,898	2.60%~3.10%
Less: current portion	(115,957)	
Total	<u>\$2,688,941</u>	

Lenders	As at December 31, 2024	Interest Rate (%)
Secured bank loans	\$1,757,024	2.60%~3.13%
Less: current portion	(274,087)	
Total	<u>\$1,482,937</u>	

Lenders	As at June 30, 2024	Interest Rate (%)
Unsecured bank loans	\$146,308	2.80%~2.83%
Secured bank loans	2,105,451	2.60%~3.37%
Less: current portion	(1,273,041)	
Total	<u>\$978,718</u>	

A. The Group's unused long-term lines of credits amounted to NT\$140,000 thousand, NT\$83,000 thousand and NT\$475,740 thousand, as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

B. Please refer to Note 8 for the Group's long-term loan guarantees as of the end date of each financial report.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. On July 5, 2023, the subsidiary signed a contract with Yuanta Commercial Bank for a credit line of NT\$700,000 thousand for a period of two years. The credit line includes NT\$200,000 thousand for Case A and NT\$500,000 thousand for Case B. The subsidiary provided land and buildings as collateral for the aforementioned credit line. In addition, the subsidiary deposited 24 million shares of Long Bon International Co., Ltd. common stock into a securities central depository account, and signed the securities pledge delivery account book transfer application letter, letter of commitment, and relevant documents to be prepared when implementing the pledge to the financial institution. The subsidiary shall also deposit NT\$100,000 thousand into the special operating reserve account stipulated in the credit contract, which shall not be considered as the minimum maintenance amount of the special operating reserve account as agreed upon in the same agreement. The syndicated loan agreement stipulates the financial ratio of the subsidiary as follows:

- (a) Current ratio (Current assets / current liabilities): Should not be less than 100%.
- (b) Financial institution debt ratio (Total borrowings of financial institutions / tangible net worth): Should not exceed 150%.
- (c) Time interest earned [(pre-tax profit + interest expense + amortization and depreciation) / interest expense]: Ratio may not fall below four.
- (d) Tangible net worth (Shareholders' equity - intangible assets): May not be less than NT\$800 million.

(16) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month and six-month periods ended June 30, 2025 and 2024 amounted to NT\$12,036 thousand, NT\$12,761 thousand, NT\$24,566 thousand and NT\$25,460 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month and six-month periods ended June 30, 2025 and 2024 amounted to NT\$(291) thousand, NT\$(182) thousand, NT\$(582) thousand and NT\$(365) thousand, respectively.

(17) Equities

A. Common stock

The Company's authorize capital as at June 30, 2025, December 31, 2024 and June 30, 2024, were NT\$7,200 million, each at a par value of NT\$10 divided into 720 million shares. Each share has one voting right and a right to receive dividends. The Company has issued 394,729 thousand common stocks in the amount of NT\$3,947,293 thousand, each at a par value of NT\$10. Each share has one voting right and a right to receive dividends.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Capital surplus

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Convertible Bond Premium	\$15,731	\$15,731	\$15,731
Treasury share transactions	11,440	11,440	11,440
Share of changes in net assets of associates and joint ventures accounted for using the equity method	160,363	151,178	151,178
Difference between consideration and carrying amount of subsidiaries acquired or disposed	14,388	-	-
Disgorgement	22,757	22,757	-
Total	<u>\$224,679</u>	<u>\$201,106</u>	<u>\$178,349</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As at June 30, 2025, December 31, 2024 and June 30, 2024, the Company's shares held by the subsidiaries amounted to NT\$689,461 thousand, and the number of the Company's shares held by the subsidiaries was 36,609 thousand shares. These shares held by the subsidiaries were acquired for the purpose of investment. The status on the Company's shares held by the subsidiaries are as follows:

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares holding by subsidiary (thousand shares)	<u>36,609</u>	<u>36,609</u>	<u>36,609</u>
Acquisition cost	<u>\$689,461</u>	<u>\$689,461</u>	<u>\$689,461</u>
Fair value of shares	<u>\$600,381</u>	<u>\$726,681</u>	<u>\$880,437</u>
Amount of treasury stock — attributable to the owners of parent	<u>\$614,333</u>	<u>\$614,333</u>	<u>\$614,333</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Retained earnings and dividend policies

- (a) According to the Company's Articles of Incorporation, if there are profits, taxes shall be settled first, followed by offsetting past losses. Ten percent of the profits shall be allocated to legal surplus reserves unless the legal surplus has reached the company's paid-in capital. Additionally, special surplus reserves may be allocated or reversed based on the company's operational needs and legal requirements. If there are remaining profits along with the accumulated undistributed profits in the beginning period, the board of directors will prepare a profit distribution proposal to be submitted to the shareholders' meeting for resolution. The Company's dividend policy is formulated by the board of directors based on operating plans, investment plans, capital budgets and changes in internal and external environments. Since the Company is currently in the operational growth stage, it must keep retained earnings to meet operational growth and investment needs. At this stage, it adopts a residual dividend policy and considers balanced dividends to formulate appropriate dividend distributions. The principle is that cash dividends should not be less than 10% of the total dividends.
- (b) In accordance with the Company Act, the legal reserve should be allocated until its total amount reaches the paid-in capital. The legal reserve may be used to offset losses. When the company has no losses, the portion of the legal reserve exceeding 25% of the paid-in capital may be distributed as new shares or cash in proportion to the shareholders' existing shares.
- (c) For the year-end, any difference between the market value and book value of the parent company's stocks held by the subsidiary shall be provisioned as special reserves in an amount proportionate to the shareholding percentage. No distribution is allowed. Subsequently, if the market value recovers, the portion of the special surplus reserves corresponding to the amount recovered may be reversed based on the shareholding percentage.

Regarding the difference between the net contra amount of other shareholders' equity and the special reserves provisioned as mentioned above for the current year, such difference, after considering the current year's post-tax net profit and other items, is included in the current year's undistributed profits along with the re-provisioning of special surplus reserves for undistributed profits from previous periods. As for the cumulative amount of contra account from other shareholders' equity in previous periods, it is re-provisioned as special surplus reserves and cannot be distributed. Subsequently, when there is a reversal of the contra account from other shareholders' equity, a portion of the profits may be distributed.

In the shareholders' meetings held on June 24, 2025, and June 26, 2024, the Company resolved to reverse special reserves, in the amount of NT\$102,854 thousand and NT\$112,114 thousand, respectively.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (d) At the regular shareholders' meetings of the Company held on June 24, 2025 and June 26, 2024, respectively, the Company resolved not to distribute the surplus from 2024 and 2023 respectively.

Please refer to Note 6 (20) for details on employees' compensation and remuneration to directors.

E. Non-controlling interests

	6-month periods ended	
	June 30, 2025	June 30, 2024
Beginning balance	\$8,321,250	\$7,911,291
Change in non-controlling interest	(54,926)	-
Changes in associates and joint ventures accounted for using the equity	-	1
Profit attributable to non-controlling interests	180,849	206,824
Other comprehensive income, attributable to non-controlling interests	43,317	16,055
Cash dividends paid to non-controlling interests by the subsidiary	(350,417)	(8,933)
Ending balance	<u>\$8,140,073</u>	<u>\$8,125,238</u>

(18) Operating revenue

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue from contracts with customers				
Revenue from engineering projects	\$2,743,401	\$2,873,554	\$4,894,367	\$5,223,313
Consumer food products	2,311,039	2,446,875	4,695,430	5,099,420
Revenue arising from rendering of services	121,260	110,882	235,279	212,082
Revenue from recreational activities	62,030	62,350	116,690	115,100
Revenue from the sale of cemetery and columbarium	63,801	37,362	115,755	80,641
Revenue from funeral services	11,189	3,111	19,135	10,919
Revenue from the sale of real estate	-	-	10,716	1,230,000
Other revenue				
Rental revenue from investment properties	9,041	13,460	17,354	31,175
Property, plant and equipment rental revenue	2,294	-	5,140	-
Total	<u>\$5,324,055</u>	<u>\$5,547,594</u>	<u>\$10,109,866</u>	<u>\$12,002,650</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Analysis of revenue from contracts with customers during the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

A. Disaggregation of revenue

For the three-month period ended June 30, 2025:

	Real estate department	Funeral service department	Construction service department	Recreation business department	Food service department	Total
Primary geographical markets:						
Taiwan	\$6,603	\$75,499	\$2,744,482	\$67,356	\$2,161,769	\$5,055,709
America	-	-	-	-	200,808	200,808
China	-	-	(16)	-	67,554	67,538
Total	<u>\$6,603</u>	<u>\$75,499</u>	<u>\$2,744,466</u>	<u>\$67,356</u>	<u>\$2,430,131</u>	<u>\$5,324,055</u>
Primary products:						
Lease revenue	\$6,603	\$-	\$1,574	\$-	\$3,158	\$11,335
Revenue from the sale of cemetery and columbarium	-	63,801	-	-	-	63,801
Revenue from funeral services	-	11,189	-	-	-	11,189
Revenue from engineering projects	-	509	2,742,892	-	-	2,743,401
Revenue from recreational activities	-	-	-	62,030	-	62,030
Consumer food product	-	-	-	5,326	2,305,713	2,311,039
Revenue from rendering of service	-	-	-	-	121,260	121,260
Total	<u>\$6,603</u>	<u>\$75,499</u>	<u>\$2,744,466</u>	<u>\$67,356</u>	<u>\$2,430,131</u>	<u>\$5,324,055</u>
Timing of revenue recognition:						
At a point in time	\$-	\$63,801	\$-	\$5,326	\$2,426,973	\$2,496,100
Over time	6,603	11,698	2,744,466	62,030	3,158	2,827,955
Total	<u>\$6,603</u>	<u>\$75,499</u>	<u>\$2,744,466</u>	<u>\$67,356</u>	<u>\$2,430,131</u>	<u>\$5,324,055</u>

For the three-month period ended June 30, 2024:

	Real estate department	Funeral service department	Construction service department	Recreation business department	Food service department	Total
Primary geographical markets:						
Taiwan	\$10,047	\$41,318	\$2,872,333	\$67,609	\$2,344,419	\$5,335,726
China	-	-	376	-	211,492	211,868
Total	<u>\$10,047</u>	<u>\$41,318</u>	<u>\$2,872,709</u>	<u>\$67,609</u>	<u>\$2,555,911</u>	<u>\$5,547,594</u>
Primary products:						
Lease revenue	\$10,047	\$-	\$-	\$-	\$3,413	\$13,460
Revenue from the sale of real estate	-	-	-	-	-	-
Revenue from the sale of cemetery and columbarium	-	37,362	-	-	-	37,362
Revenue from funeral services	-	3,111	-	-	-	3,111
Revenue from engineering projects	-	845	2,872,709	-	-	2,873,554
Revenue from recreational activities	-	-	-	62,350	-	62,350
Consumer food product	-	-	-	5,259	2,441,616	2,446,875
Revenue from rendering of service	-	-	-	-	110,882	110,882
Total	<u>\$10,047</u>	<u>\$41,318</u>	<u>\$2,872,709</u>	<u>\$67,609</u>	<u>\$2,555,911</u>	<u>\$5,547,594</u>
Timing of revenue recognition:						
At a point in time	\$-	\$37,362	\$-	\$5,259	\$2,552,498	\$2,595,119
Over time	10,047	3,956	2,872,709	62,350	3,413	2,952,475
Total	<u>\$10,047</u>	<u>\$41,318</u>	<u>\$2,872,709</u>	<u>\$67,609</u>	<u>\$2,555,911</u>	<u>\$5,547,594</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the six-month periods ended June 30, 2025:

	Real estate department	Funeral service department	Construction service department	Recreation business department	Food service department	Total
Primary geographical markets:						
Taiwan	\$13,058	\$137,238	\$4,905,184	\$125,267	\$4,413,892	\$9,594,639
America	-	-	-	-	200,808	200,808
China	-	-	556	-	313,863	314,419
Total	<u>\$13,058</u>	<u>\$137,238</u>	<u>\$4,905,740</u>	<u>\$125,267</u>	<u>\$4,928,563</u>	<u>\$10,109,866</u>
Primary products:						
Lease revenue	\$13,058	\$-	\$3,005	\$-	\$6,431	\$22,494
Revenue from the sale of goods	-	-	-	-	3,157,222	3,157,222
Revenue from the sale of real estate	-	-	10,716	-	-	10,716
Revenue from the sale of cemetery and columbarium	-	115,755	-	-	-	115,755
Revenue from funeral services	-	19,135	-	-	-	19,135
Revenue from engineering projects	-	2,348	4,892,019	-	-	4,894,367
Revenue from recreational activities	-	-	-	116,690	-	116,690
Consumer food product	-	-	-	8,577	1,529,631	1,538,208
Revenue from rendering of service	-	-	-	-	235,279	235,279
Total	<u>\$13,058</u>	<u>\$137,238</u>	<u>\$4,905,740</u>	<u>\$125,267</u>	<u>\$4,928,563</u>	<u>\$10,109,866</u>
Timing of revenue recognition:						
At a point in time	\$-	\$115,755	\$10,716	\$8,577	\$4,922,132	\$5,057,180
Over time	13,058	21,483	4,895,024	116,690	6,431	5,052,686
Total	<u>\$13,058</u>	<u>\$137,238</u>	<u>\$4,905,740</u>	<u>125,267</u>	<u>\$4,928,563</u>	<u>\$10,109,866</u>

For the six-month periods ended June 30, 2024:

	Real estate department	Funeral service department	Construction service department	Recreation business department	Food service department	Total
Primary geographical markets:						
Taiwan	\$1,254,691	\$94,604	\$5,219,134	\$123,667	\$4,917,353	\$11,609,449
China and other countries	-	-	786	-	392,415	393,201
Total	<u>\$1,254,691</u>	<u>\$94,604</u>	<u>\$5,219,920</u>	<u>\$123,667</u>	<u>\$5,309,768</u>	<u>\$12,002,650</u>
Primary products:						
Lease revenue	\$24,342	\$-	\$-	\$-	\$6,833	\$31,175
Revenue from the sale of real estate	1,230,000	-	-	-	-	1,230,000
Revenue from the sale of cemetery and columbarium	349	80,292	-	-	-	80,641
Revenue from funeral services	-	10,919	-	-	-	10,919
Revenue from engineering projects	-	3,393	5,219,920	-	-	5,223,313
Revenue from recreational activities	-	-	-	115,100	-	115,100
Consumer food product	-	-	-	8,567	5,090,853	5,099,420
Revenue from rendering of service	-	-	-	-	212,082	212,082
Total	<u>\$1,254,691</u>	<u>\$94,604</u>	<u>\$5,219,920</u>	<u>\$123,667</u>	<u>\$5,309,768</u>	<u>\$12,002,650</u>
Timing of revenue recognition:						
At a point in time	\$1,230,349	\$80,292	\$-	\$8,567	\$5,302,935	\$6,622,143
Over time	24,342	14,312	5,219,920	115,100	6,833	5,380,507
Total	<u>\$1,254,691</u>	<u>\$94,604</u>	<u>\$5,219,920</u>	<u>\$123,667</u>	<u>\$5,309,768</u>	<u>\$12,002,650</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Contract balances

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Trades and notes receivable (including related party)	\$2,179,153	\$1,606,092	\$2,340,756
Less: loss allowance	(16,410)	(16,146)	(51,177)
Total	<u>\$2,162,743</u>	<u>\$1,589,946</u>	<u>\$2,289,579</u>
Contract asset — current — project investment not up to the right to receive payment	\$1,030,570	\$1,057,729	\$1,709,298
Contract asset — current — Retention for Construction Contracts	1,040,383	1,310,576	1,763,086
Contract asset — non-current — Retention for Construction Contracts	978,788	861,472	-
Total	<u>\$3,049,741</u>	<u>\$3,229,777</u>	<u>\$3,472,384</u>
Contract liabilities — current — advance revenue from management fee	\$27,538	\$5,427	\$6,201
Contract liabilities — current — stadium fees	5,869	2,866	2,833
Contract liabilities — current — receipt of payments exceeding project revenue	4,009,714	3,911,406	4,446,075
Contract liabilities — current — prepayment for real estate	199,801	121,132	406,230
Contract liabilities — current — advance sales receipts	36,282	21,701	-
Contract liabilities — current — advances from customers	8,023	34,944	44,245
Contract liabilities — non-current — advance revenue from management fee	73,722	66,576	59,802
Contract liabilities — non-current — stadium fees	97,222	40,174	42,214
Contract liabilities — non-current — batting payments	406	283	-
Contract liabilities — non-current — advances from customers	-	958	1,278
Total	<u>\$4,458,577</u>	<u>\$4,205,467</u>	<u>\$5,008,878</u>

Please refer to Notes 6(4), 6(19), and 9 for more details on impairment of trades and notes receivable, and contract assets.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The changes in contract assets and contract liabilities mainly result from the difference between the point at which the Group transfers goods or services to customers to satisfy performance obligations and the point at which customers make payments. Other significant changes include variations in the estimated transaction prices of contract assets in the construction department due to entering mediation processes or legal disputes. Please refer to Note 9 for more details. The amount of contract assets for the comparative periods in this period is reclassified into current and non-current based on the classification method of this period.

C. Assets recognized in costs of obtaining or performing customer contracts

Incremental cost of acquiring contract

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Incremental cost of acquiring contract – current	\$88,164	\$50,338	\$46,947

(19) Expected credit losses/ (gains)

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Operating expenses – Expected credit losses/(gains)				
Notes receivables and Accounts receivables (including related party)	\$233	\$216	\$335	\$59
Contract assets	28,970	-	28,970	-
Subtotal	\$29,203	\$216	\$29,305	\$59
Non-operating income and expenses - expected credit losses/(gains)				
Other receivable	\$19,922	\$-	\$19,922	\$-
Financial assets at amortized cost	12,890	-	12,890	-
Subtotal	\$32,812	\$-	\$32,812	\$-
Total	\$62,015	\$216	\$62,117	\$59

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its notes receivables and trade receivables (including related parties) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at June 30, 2025, December 31, 2024 and June 30, 2024, is as follows:

The Group considers the grouping of trade receivables by the counterparties' credit rating, geographical region and industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of June 30, 2025

Group 1	Overdue					
Construction/Funeral/Recreation	Not yet due	0-60 days	61-180 days	181-360 days	361 days	Total
Gross carrying amount	\$830,442	\$83,347	\$7,624	\$-	\$10	\$921,423
Loss rate	0.00%	0.00%	0.00~3.00%	0.00~5.00%	0.00~100.00%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	\$830,442	\$83,347	\$7,624	\$-	\$10	\$921,423

Group 2	Overdue						
Food Processing and Sales Department	Not yet due	0-90 days	91-180 days	181-270 days	270-360 days	361 days	Total
Gross carrying amount	\$1,226,062	\$17,990	\$521	\$-	\$473	\$12,684	\$1,257,730
Loss rate	0.00~2.47%	0.00~2.29%	0.00~3.07%	-%	0.00~10.78%	100.00%	
Lifetime expected credit losses	(3,247)	(412)	(16)	-	(51)	(12,684)	(16,410)
Subtotal	\$1,222,815	\$17,578	\$505	\$-	\$422	\$-	\$1,241,320

As at December 31, 2024

Group 1	Overdue					
Construction/Funeral/Recreation	Not yet due	0-60 days	61-180 days	181-360 days	361 days	Total
Gross carrying amount	\$300,283	\$75,113	\$1,242	\$-	\$10	\$376,648
Loss rate	0.00%	0.00%	0.00~3.00%	0.00~5.00%	0.00~100.00%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	\$300,283	\$75,113	\$1,242	\$-	\$10	\$376,648

Group 2	Overdue						
Food Processing and Sales Department	Not yet due	0-90 days	91-180 days	181-270 days	270-360 days	361 days	Total
Gross carrying amount	\$1,187,575	\$28,758	\$382	\$3	\$-	\$12,726	\$1,229,444
Loss rate	0.00~2.38%	0.00~4.83%	0.00~12.42%	0.00~12.55%	10.00~32.26%	100.00%	
Lifetime expected credit losses	(2,537)	(883)	-	-	-	(12,726)	(16,146)
Subtotal	\$1,185,038	\$27,875	\$382	\$3	\$-	\$-	\$1,213,298

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of June 30, 2024

Group 1	Overdue					
Construction/ Funeral /Recreation	Not yet due	0-60 days	61-180 days	181-360 days	361 days	Total
Gross carrying amount	\$971,369	\$-	\$32,125	\$-	\$2,084	\$1,005,578
Loss rate	0.00%	0.00%	0.00~3.00%	0.00~5.00%	0.00%~100.00%	
Lifetime expected credit losses	-	-	-	-	(900)	(900)
Subtotal	\$971,369	\$-	\$32,125	\$-	\$1,184	\$1,004,678

Group 2	Overdue						
Food Processing and Sales Department	Not yet due	0-90 days	91-180 days	181-270 days	270-360 days	361 days	Total
Gross carrying amount	\$1,229,182	\$56,531	\$2,476	\$507	\$13,312	\$33,170	\$1,335,178
Loss rate	0.12~1.77%	2.28~4.22%	0.46~11.72%	9.42~11.85%	31.65%~100%	100.00%	
Lifetime expected credit losses	(2,363)	(1,364)	(20)	(48)	(13,312)	(33,170)	(50,277)
Subtotal	\$1,226,819	\$55,167	\$2,456	\$459	\$-	\$-	\$1,284,901

The movement in the provision for impairment of note receivables and trade receivables during the six-month periods ended June 30, 2025 and 2024 is as follows:

	Notes receivables and trade receivables
Bal. as at January 1, 2025	\$16,146
Addition for the current period	335
Write off	-
Exchange differences	(71)
Bal. as at June 30, 2025	\$16,410
Bal. as at January 1, 2024	\$50,681
Addition/(reversal) for the current period	(59)
Write off	-
Exchange differences	555
Bal. as at June 30, 2024	\$51,177

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Summary statement of employee benefits, depreciation and amortization expenses by function during the three-month and six-month periods ended June 30, 2025 and 2024:

Nature Function	3-month periods ended June 30					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$161,865	\$125,356	\$287,221	\$163,821	\$151,055	\$314,876
Labor and health insurance	18,531	11,316	29,847	19,037	11,268	30,305
Pension	7,118	4,627	11,745	8,195	4,384	12,579
Other employee benefits expense	9,584	9,777	19,361	7,800	11,906	19,706
Depreciation	36,799	17,744	54,543	37,969	11,944	49,913
Amortization	796	1,852	2,648	1,010	1,460	2,470

Nature Function	6-month periods ended June 30					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$321,405	\$271,632	\$593,037	\$338,144	\$293,059	\$631,203
Labor and health insurance	38,343	25,313	63,656	38,592	23,501	62,093
Pension	14,415	9,569	23,984	16,238	8,857	25,095
Other employee benefits expense	18,735	18,628	37,363	20,561	18,848	39,409
Depreciation	73,967	34,963	108,930	75,846	30,405	106,251
Amortization	1,651	3,653	5,304	1,752	2,727	4,479

According to the Articles of Incorporation, 0.1% of profit of the current year is distributable as employees' compensation and no higher than 3.5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The recipients of employee remuneration in the preceding paragraph including stocks or cash include employees of affiliated companies who meet certain conditions.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month and six-month periods ended June 30, 2025 and 2024, the Company estimated its remuneration to employees in the amount of NT\$150 thousand, NT\$275 thousand, NT\$349 thousand and NT\$732 thousand, and remuneration to directors in the amount of NT\$5,220 thousand, NT\$8,994 thousand, NT\$12,199 thousand and NT\$25,622 thousand, respectively. The estimated amounts mentioned above were based on the net profit before tax of each respective period, multiplied by the percentage of the remuneration distribution to employees and directors, as specified in the Company's Articles of Incorporation. The estimations were recognized as operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. If the board resolves to distribute stocks as employee compensation, the number of shares distributed as compensation is calculated based on the closing price of the common stock on the day before the board's resolution.

On March 13, 2025, the Company's board of directors resolved to distribute cash compensation for 2024, with employee compensation in the amount of NT\$1,132 thousand and director and supervisor compensation in the amount of NT\$14,148 thousand. The differences between the amounts recognized as expenses in the financial report for 2024 and the estimated amounts in the financial report amounted to NT\$0 and NT\$25,467 thousand, respectively. These differences are treated as changes in accounting estimates and will be recognized as salary expenses for 2025.

(21) Non-operating income and expenses

A. Interest income

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest on bank deposits	\$21,017	\$24,213	\$40,175	\$34,786
Interest income from loans to other parties	(12)	127	58	220
Other interest income	4,044	2,315	6,744	3,171
Total	<u>\$25,049</u>	<u>\$26,655</u>	<u>\$46,977</u>	<u>\$38,177</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Other income

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Dividend income	\$17,600	\$12,694	\$17,870	\$12,869
Lease income	-	5,816	-	5,816
Remuneration to directors	3,109	-	3,109	-
Others	18,069	50,665	35,647	67,905
Total	<u>\$38,778</u>	<u>\$69,175</u>	<u>\$56,626</u>	<u>\$86,590</u>

C. Other gains and losses

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Foreign exchange (losses) / gains, net	\$(31,353)	\$9,321	\$(24,814)	\$33,190
Gains on disposal of property, plant and equipment	220	66	3,353	216
Profit from lease modification	32	31	32	34
(Losses) / gains on financial assets at fair value through profit or loss	(1,383)	6,574	(825)	17,551
Gains on disposal of investments	-	-	-	61
Others	(716)	(736)	(1,976)	(1,162)
Other gains and losses, net	<u>\$(33,200)</u>	<u>\$15,256</u>	<u>\$(24,230)</u>	<u>\$49,890</u>

D. Finance costs

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest expenses	\$24,569	\$41,966	\$58,067	\$85,851
Finance-related fee expense	19,603	73	28,815	149
Interest on lease liabilities	61	7,983	182	14,772
Less: Capitalization of interest	-	(4,212)	-	(8,449)
Finance costs, net	<u>\$44,233</u>	<u>\$45,810</u>	<u>\$87,064</u>	<u>\$92,323</u>
Capitalization interesting rate	<u>-</u>	<u>2.73%~2.83%</u>	<u>-</u>	<u>2.73%~2.88%</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(22) Components of other comprehensive income

3-month period ended June 30, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	\$97,169	\$-	\$97,169	\$-	\$97,169
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(54,661)	-	(54,661)	129	(54,532)
Total of other comprehensive income	<u>\$42,508</u>	<u>\$-</u>	<u>\$42,508</u>	<u>\$129</u>	<u>\$42,637</u>

3-month period ended June 30, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$56,656	\$-	\$56,656	\$-	\$56,656
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	4,025	-	4,025	-	4,025
Total of other comprehensive income	<u>\$60,681</u>	<u>\$-</u>	<u>\$60,681</u>	<u>\$-</u>	<u>\$60,681</u>

6-month period ended June 30, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	\$153,193	\$-	\$153,193	\$-	\$153,193
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(46,082)	-	(46,082)	103	(45,979)
Total of other comprehensive income	<u>\$107,111</u>	<u>\$-</u>	<u>\$107,111</u>	<u>\$103</u>	<u>\$107,214</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6-month period ended June 30, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$39,843	\$-	\$39,843	\$-	\$39,843
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	13,949	-	13,949	-	13,949
Total of other comprehensive income	\$53,792	\$-	\$53,792	\$-	\$53,792

(23) Income tax

The major components of income tax expense (income) for the three-month and six-month periods ended June 30, 2025 and 2024 are as follows:

Income tax expense (income) recognized in profit or loss:

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current income tax expense				
Income taxes payable for the period	\$31,100	\$130,814	\$79,191	\$141,011
Land value increment tax	-	-	-	4,265
The income tax for undistributed Surplus earnings	46,803	12,207	46,803	12,207
Adjustment to previous year's income tax expense	(8,904)	-	(5,581)	-
Deferred tax expense				
The deferred income tax expense (benefit) related to the origination and reversal of temporary differences	(7,791)	18,529	(28,541)	68,270
Income tax expense	\$61,208	\$161,550	\$91,872	\$225,753

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The assessment of income tax returns:

As of June 30, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company (Note)	Assessed and approved up to 2023
Subsidiaries — Longde International Development Co., Ltd., Chuang Shin Traffic Co., Ltd., Sky Honor International Co., Ltd.	Assessed and approved up to 2022
Subsidiaries — Tonghwa International Golf Recreation Co., Ltd., Long Bao Co., Ltd., Everwin Investment Co., Ltd., North Bay Recreation Co., Ltd., Longhui Development Co., Ltd., Sanzhi Chih An Garden Co., Ltd., Longfu Real Estate Co., Ltd., Reiju Construction Co., Ltd., Reicheng Construction Co., Ltd., Ryan Development Corp., Taisun Enterprise Co., Ltd., Taiwan Nikomart Co., Ltd., Taisun Yuan Co., Ltd., Pin-Tai Distribution Enterprise Co., Ltd.,	Assessed and approved up to 2023
Subsidiaries — Shengji Interior Decoration Co., Ltd.	Assessed and approved up to 2024

Note: The Company's income taxes for 2021 and 2022 have not yet been assessed.

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Weighted average number of common shares outstanding

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$99,100	\$154,092	\$290,834	\$616,978
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	\$394,729	\$394,729	\$394,729	\$394,729
Less: number of treasury shares	(32,985)	(32,985)	(32,985)	(32,985)
Total	\$361,744	\$361,744	\$361,744	\$361,744
Basic earnings per share(NT\$)	\$0.27	\$0.43	\$0.80	\$1.71

Diluted earnings per share

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Diluted earnings per share				
Employee compensation	(Note)	16	42	46
Weighted average number of ordinary shares outstanding after dilution (in thousands)	361,790	361,760	361,790	361,790
Diluted earnings per share (NT\$)	\$0.27	\$0.43	\$0.80	\$1.71

Note: Due to the anti-dilutive effect, it is not included in the calculation.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(25) Business combinations

Acquisition of Sky Honor International Co., Ltd.

On March 16, 2025, the Company's subsidiary, Long Bao Co., Ltd. acquired 385,000 common shares of Sky Honor International Co., Ltd (accounting for 55% of the outstanding shares) from the original shareholders. After the acquisition, the Group's ownership ratio increased to 100%, allowing it to gain control of relevant activities. Therefore, from the date of acquisition, it will be recognized as a subsidiary and included in the consolidated financial reporting preparation from the date of obtaining control.

The fair value of the identifiable assets and liabilities of Sky Honor International Co., Ltd. as at the date of acquisition were:

	Fair value recognized on the acquisition date
Cash and cash equivalents	\$983
Inventories	2,620
Other current assets	6,397
Property, plant and equipment	289
Intangible assets	2,082
Subtotal	<u>12,371</u>
Notes and accounts payable	(343)
Other payables	(123)
Contract liabilities	(8,758)
Other current and non-current liabilities	(10,728)
Subtotal	<u>(19,952)</u>
Identifiable net assets	<u><u>\$(7,581)</u></u>

Goodwill of Sky Honor International Co., Ltd. is as follows:

The fair value of the pre-existing equity interest upon obtaining control	\$-
Less: identifiable net assets at fair value	(7,581)
Goodwill	<u><u>\$7,581</u></u>

Goodwill as a result of anticipated synergies arising from an acquisition.

Cash flow on acquisition:

Net cash acquired with the subsidiary	\$983
Cash paid	-
Net cash inflow	<u><u>\$983</u></u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to International Financial Reporting Standards (IFRS): “If the initial accounting for a business combination is incomplete as at the end of the reporting period in which the combination occurred, the acquirer shall report provisional amounts for the incomplete accounting items in its financial statements. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized as at the acquisition date to reflect new information about facts and circumstances that existed as at that date.” “...However, the measurement period shall not exceed one year from the acquisition date.” “During the measurement period, the acquirer shall recognize adjustments to provisional amounts as if the accounting for the business combination had been completed as at the acquisition date. Therefore, the acquirer should revise the comparative information presented in the financial statements as necessary, including any adjustments made to depreciation, amortization, or other income or loss effect recognized to complete the initial accounting.”

(26) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As at		
		June 30, 2025	December 31, 2024	June 30, 2024
Taisun Enterprise Co., Ltd.	Taiwan	49.51%	50%	50%

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Accumulated balances of material non-controlling interest:			
Taisun Enterprise Co., Ltd.	<u>\$7,986,365</u>	<u>\$8,171,791</u>	<u>\$8,002,147</u>

	6-month periods ended	
	June 30, 2025	June 30, 2024
Profit/(loss) allocated to material non-controlling interest:		
Taisun Enterprise Co., Ltd.	<u>\$160,219</u>	<u>\$179,264</u>

	6-month periods ended	
	June 30, 2025	June 30, 2024
Dividends paid to material non-controlling interest:		
Taisun Enterprise Co., Ltd.	\$334,171	\$-

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the six-month periods ended June 30, 2025:

	6-month periods ended	
	June 30, 2025	June 30, 2024
Operating revenue	\$4,929,498	\$5,311,810
Profit for the period from continuing operations	321,963	358,527
Total comprehensive income for the period	408,918	385,432

Summarized information of financial position as at June 30, 2025:

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$5,325,839	\$6,258,367	\$5,889,837
Non-current assets	9,678,072	8,386,044	8,176,072
Current liabilities	(2,051,968)	(1,394,736)	(1,360,375)
Non-current liabilities	(383,641)	(433,662)	(236,034)

Summarized cash flow information for the six-month periods ended June 30, 2025:

	6-month periods ended	
	June 30, 2025	June 30, 2024
Operating activities	\$(69,520)	\$822,462
Investing activities	(1,385,724)	(347,847)
Financing activities	(26,363)	12,729
Net increase/(decrease) in cash and cash equivalents	(1,522,036)	498,420

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7. Related party transactions

- (1) Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Sky Honor International Co., Ltd. (Sky Honor International)	Subsidiary (Note 1)
Rei Ying Construction Co, Ltd. (Rei Ying Construction)	Associate
Central Union Oil Corp. (Central Union Oil)	Associate
Fortune Base Development Co., Ltd. (Fortune Base Development)	Legal person director of the Company
Global Funeral Services Co., Ltd. (Global Funeral Services)	Legal person director of the Company
You Long Construction Development Co., Ltd.	Other related party
Sung Gang Corp. Limited (Sung Gang)	Other related party (Note 3)
The Orient Golf & Country Club. (Oriental Golf)	Other related party
Gobo Pets Co., Ltd. (Gobo Pets)	Other related party
Gobo Animal Medical Center	Other related party
Authenticity Attorneys-at-Law	Other related party
Guo En Marketing Co., Ltd	Other related party
Taiwan Familymart Co., Ltd. (Familymart)	Other related party (Note 2)
Taiwan Distribution Center Co., Ltd. (Taiwan Distribution Center)	Other related party (Note 2)
RE-YI Distribution Service Co., Ltd. (RE-YI)	Other related party (Note 2)
Family International Gourmet Co., Ltd(Family International)	Other related party (Note 2)
LIU,WEI-LUNG	The Company's director
Global Golf Sports Development Foundation (Global Foundation)	The related party's director as the Company's director

Note 1: The associated company was accounted for using the equity method until March 17, 2025, and as at March 17, 2025, upon assessment of acquiring control, it has been consolidated into the consolidated financial statements.

Note 2: The company was no longer a related party starting from June 21, 2024.

Note 3: The company was no longer a related party starting from July 30, 2024.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Significant transactions with the related parties

A. Operating revenue

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Associates				
Central Union Oil	\$545,270	\$543,205	\$1,137,044	\$1,283,415
Other related parties				
Other	6,420	148,432	8,207	304,404
Total	<u>\$551,690</u>	<u>\$691,637</u>	<u>\$1,145,251</u>	<u>\$1,587,819</u>

The purchase price of the Group to related parties is not significantly different from the other parts. The payment term is 30 to 60 days. The sales price of the food industry to the above related parties are not materially different from general convenience stores. The credit term for related parties was month-end 45-60 days, while the terms for third parties were month-end 30-90 days.

The Group provides services to related parties and third parties at varying fee rates based on the distance of the areas and the nature of the contracted items. For established clients, monthly settlements are conducted at the end of each month. Credit terms for logistics are set at 30 days and 45 days from month-end respectively. For third parties, credit terms range from 30 to 45 days from the invoice date.

The sales of soybean powder to Central Union Oil by the Group are priced based on market rates less relevant sales expenses, resulting in the net sales price. This pricing approach exhibits no significant deviations when compared to transactions with third parties. The credit terms for related parties range from 45 to 60 days. Credit terms for sales to third parties range from 30 to 45 days from month-end.

The unrealized gross profit on sales between the Group and the aforementioned related parties has been eliminated based on the equity ownership proportion.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Purchases and processing expense

(a) The procurement amount from related parties is as follows:

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Other related parties				
Others	<u>\$819</u>	<u>\$572</u>	<u>\$14,132</u>	<u>\$11,693</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates.

(b) The procurement amount from other related parties of the Group's Food processing and sales department is as follows:

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Associates				
Central Union Oil	<u>\$75,487</u>	<u>\$55,937</u>	<u>\$167,661</u>	<u>\$114,968</u>

Payment terms for purchases from the related parties are within 30 days from the date of arrival, which align with conditions like those for other related parties. The processing fees from the soybean oil refining carried out by the related party on behalf of the Group, where credit terms involve an advance payment based on estimated processing quantities, followed by settlement of the remaining payment balance within 15 days from month-end reconciliation. The Group does not engage in comparable transactions involving outsourcing to unrelated parties for processing.

C. Notes receivables and trades receivables — related parties

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Associates			
Central Union Oil	\$239,371	\$278,403	\$237,119
Other related parties			
Others	239	61	679
Total	<u>\$239,610</u>	<u>\$278,464</u>	<u>\$237,798</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Other receivables — related parties

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Associates			
Central Union Oil	\$44,000	\$-	\$-
Other related parties			
Others	3,797	-	2,890
Total	<u>\$47,797</u>	<u>\$-</u>	<u>\$2,890</u>

E. Other receivables — related parties (Financing)

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Associates			
Sky Honor International (Note)	\$-	\$18,091	\$18,091
Other related parties			
Others	-	800	-
Total	<u>\$-</u>	<u>\$18,891</u>	<u>\$18,091</u>

Note: Sky Honor International was incorporated as a consolidated entity on March 17, 2025, and the related amounts have been eliminated during the preparation of the consolidated financial statements.

The interest of the Group's capital loan to its affiliated enterprises is calculated based on the average interest rate of the Group's short-term borrowings from financial institutions in the year of the grant, and it is a guaranteed loan. The interest recognized on the capital loan to its affiliated enterprise in for the three-month and six-month periods period ended June 30, 2025 and 2024, was NT\$58 thousand, NT\$89 thousand, NT\$58 thousand and NT\$179 respectively, and the interest income was recorded in the account.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

F. Accounts payables

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Associates			
Central Union Oil	\$5,133	\$15,424	\$1,860

G. Other payables — related parties

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties			
Other	\$345	\$4,901	\$241

H. Financial leasing

The Group leased part of the interior decoration to an associate, Sky Honor International, In October 2021. The transaction accounted as a financial leasing due to lease period covering the entire economic life of the decoration. The present value of lease payments receivable was as follows:

	As at		
	June 30, 2025 (Note)	December 31, 2024	June 30, 2024
Finance lease receivables, current (Accounted as other current assets)	\$-	\$1,123	\$1,123
Finance lease receivables, non-current (Accounted as other non-current assets)	-	842	1,404
Total	\$-	\$1,965	\$2,527
Interest income from finance leases	\$27	\$41	\$23

Note: Sky Honor International was incorporated in the consolidated reports on March 17, 2025.

- I. As at June 30, 2025, December 31, 2024 and June 30, 2024, the Group's other related party, Fortune Base Development, guarantee provided to subsidiaries pursuant to the construction contracts, was NT\$10,584,819 thousand, NT\$10,584,819 thousand and NT\$10,584,819 thousand, respectively.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

J. Others

The transactions between the Group and other related parties are as follows:

Account title	Category of related party	As at		
		June 30, 2025	December 31, 2024	June 30, 2024
Other current assets — others	Other related parties	\$-	\$240	\$-
Other financial assets — non — current	Other related parties	3	3	3
Other non-current assets — others	Other related parties	-	(27)	-
Guarantee deposits	Other related parties	-	660	660
Capital reserve – vesting rights	Other related parties	-	22,757	-
Sales and marketing expenses	Other related parties	112	200	-
General and administrative expenses	Other related parties	542	5,193	-
Other interest income	Other related parties	-	6,373	-
Other income	Other related parties	1,100	1,200	-
Dividend income	Other related parties	3,797	2,589	-
Other profit and loss	Other related parties	3	18	-
Interest expense	Other related parties	2	10	-

(3) Key management personnel compensation

	3-month periods ended		6-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Short-term employee benefits	\$16,672	\$14,506	\$36,311	\$31,360
Post-employment benefits	143	192	322	372
	<u>\$16,815</u>	<u>\$14,698</u>	<u>\$36,633</u>	<u>\$31,732</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount			Secured liabilities
	June 30, 2025	December 31, 2024	June 30, 2024	
Financial assets at fair value through other comprehensive income , non-current	\$904,200	\$818,400	\$840,400	Long-term borrowings/Short-term borrowings
Financial assets measured at amortized cost, non-current	255,028	269,942	269,934	Bank borrowings
Treasury stocks(Note)	585,152	708,248	858,104	Bank borrowings
Stock of subsidiary(Note)	5,468,123	4,752,570	4,858,344	Bank borrowings and commercial papers issued
Inventories	521,333	519,176	1,678,980	Bank borrowings and commercial papers issued
Other financial assets, current	1,374,859	1,595,598	1,076,425	Bank borrowings, Performance bonds ,warranty bonds and trust accounts
Other financial assets, non-current	148,208	123,294	464,078	Bank credit/performance bonds and warranty bonds
Other financial assets, non-current	1,202,600	1,500	-	False execution collateral
Other financial assets, non-current	210,000	210,000	210,000	Litigation lodgment security
Other financial assets, current	-	-	90,000	Bank borrowings
Investment property	881,550	1,643,335	1,646,802	Bank borrowings
Property, plant and equipment	6,550,463	5,804,967	5,877,766	Bank borrowings and commercial papers issued
Total	<u>\$18,101,516</u>	<u>\$16,447,030</u>	<u>\$17,870,833</u>	

Note: The amounts disclosed represented the carrying values of the financial assets held by each company before consolidation eliminations.

9. Significant contingencies and unrecognized contractual commitments

(1) Significant unrecognized commitments

A. The Group's unrecognized contractual commitments were as follows:

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Sale of permanent use right of columbarium pagoda niches	\$110,267	\$121,767	\$134,353
Sale of real estate	1,419,599	1,009,939	1,086,764
Contract construction project	26,689,577	24,759,993	31,267,185
Columbarium pagoda niche construction	80,364	60,973	57,426
Columbarium construction project	64,600	64,600	64,600
Stadium renovation project	29,950	31,099	29,937
Acquisition of real estate and advertising endorsements	34,577	33,347	53,149
Contract project	17,262,284	19,786,131	20,434,238
Unutilized letters of credit issued	310,059	543,217	449,273

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- B. The conditions of the joint construction contract signed by the Consolidated Company on June 30, 2025 for the sales of buildings and land are as follows:

Form of joint construction	Name of construction project
Urban renewal plan	Xiyuan Road Project
Jointly constructed and sold in partitions	Hsiawan Memorial Park Project

Regarding the redevelopment project on Xiyuan Road mentioned above, the Group has signed a joint development agreement with the landowner. As at June 30, 2025, the Group has paid the landowner a rent subsidy of NT\$6,388 thousand. Due to its nature, this amount is considered a necessary direct cost incurred to acquire the land and was therefore recognized under inventory "work in progress" and "land for construction".

Regarding the above-mentioned urban renewal plan on Chengde Road, the Group, as the landowner, cooperates with Shilin Development Co., Ltd., the co-builder, to develop the property through joint construction and separate houses. Subsequently, in November 2023, the company passed a resolution of the board of directors to sell the entire land for the construction project (located in the third section of Shuanglian Section, Datong District, Taipei City, approximately 142.65 *ping*) to Shilin Development Co., Ltd., the co-builder of the case, for a total contract price of NT\$680 million. Based on this land disposal transaction, the Group must also transfer the contractual rights and obligations of the pre-sold building project and the signed land sales deed to Shilin Development Co., Ltd. with the consent of the three parties (including the consumer who purchased the house). The transfer of the aforementioned transaction was completed in January 2024, the price was collected, and the inventory was transferred to the cost of sales.

- C. As at June 30, 2025, December 31, 2024 and June 30, 2024, the refundable promissory notes for the aforementioned project contracts or loans amounted to NT\$2,702,680 thousand, NT\$2,850,412 thousand and NT\$3,896,258 thousand, respectively.

(2) Contingent items subject to litigation claims

- A. On December 5, 2024, the Company received a criminal complaint with an attached civil action (Taipei District Court Case No. 113 Jin Zhong Su Zi 12) from Tiangang Information Co., Ltd. filed with the Taiwan Taipei District Court. This case is a criminal case with an accompanying civil lawsuit, where the civil claim is based on the facts of the criminal case, and the civil judgment must be made concurrently with the criminal proceedings or be transferred to the civil court for handling after the conclusion of the criminal process. Furthermore, the prosecutor's indictment was served to the defendant on March 27, 2024. Upon inquiry with the court, it was understood that the criminal proceedings have not yet been completed, and since the Company is not a defendant in the criminal case, we are unable to appoint a defense attorney to review the case files or understand the detailed progress of the criminal proceedings. Therefore, for the accompanying civil proceedings, there is currently no substantive progress in this case.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- B. In May 2022, the Group has acquired the authorized distribution rights for alcoholic beverages in China region (excluding Taiwan) from Matsu Liquor Factory Industry Co., Ltd. The distribution rights commenced on September 1, 2022, and the agreement is valid for a period of three years. The minimum amount of distribution for this period is set at a minimum of NT\$300,000 thousand. Additionally, if the Group does not achieve the minimum distribution amount or perform this contract, Matsu Liquor Factory Industry Co., Ltd. may terminate this contract without a prior notice and forfeit the performance guarantee deposit in the amount of NT\$5 million.
- C. Taisun Enterprise Co., Ltd obtained a general distribution contract for alcoholic beverages in Taiwan from Matsu Distillery Industrial Co., Ltd. in March 2023, and can start sales from July 1, 2023. The distribution period is three years. Its general distribution contract amount shall not be less than NT\$1,589,000 thousand. In addition, if Taisun Co. fails to reach the minimum distribution amount or fails to perform this contract, Matsu Winery may terminate this contract without giving prior notice and confiscate the performance bond of NT\$26.5 million.
- D. On December 2, 2022, Taisun Enterprise Co., Ltd. resolved in a board meeting to dispose of 43,300 thousand shares of Taiwan FamilyMart Co., Ltd. On December 5, 2022, the shares were disposed of through a large block trade, with the net disposal price amounting to NT\$7,986,979 thousand, and the full payment has been received. At the same time, Taisun Enterprise Co., Ltd.'s shareholding in FamilyMart Co., Ltd. decreased from 22.47% to 3.07%, leading to an assessment that it had lost significant influence over the company. Therefore, at the time of disposal, the remaining 3.07% equity was reevaluated and reclassified as financial assets measured at fair value through other comprehensive income - non-current, based on the fair value as of December 5, 2022. As a result, Taisun Enterprise Co., Ltd. recognized a disposal investment gain in the amount of NT\$885,583 thousand. In total, Taisun Enterprise Co., Ltd. recognized a total disposal investment gain in the amount of NT\$6,211,072 thousand for the year ended 2022 due to the disposal and reclassification of shares in FamilyMart Co., Ltd.

On January 11, 2023, Taisun Enterprise Co., Ltd. received a notice from the Commercial Court, Intellectual Property and Commercial Court, and a civil complaint against the company and its subsidiary, Everwin Investment Co., Ltd. The action sought confirmation that the resolution of the disposal case made by Taisun Enterprise Co., Ltd.'s 8th board meeting of the 22nd session was invalid. This litigation case was brought up prior to the Group gaining control of Taisun Enterprise Co., Ltd. As of June 30, 2025, the case is under review by the Commercial Court of the Intellectual Property and Commercial Court, and currently, there is no significant impact on the operation and finances of the Group.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- E. In 2023, Taisun Enterprise Co., Ltd. was sued by Mei Ruei Advertisement Co., Ltd. in the Taipei District Court, claiming that the Company should pay the advertising fees and liquidated damages totaling approximately NT\$40,503 thousand. This lawsuit was ruled against Taisun Enterprise Co., Ltd. by the Taipei District Court of Taiwan in the first instance on September 20, 2024. Taisun Enterprise Co., Ltd. must pay Meirui Company advertising expenses, delay interest and liquidated damages, totaling NT\$31,755 thousand. Since this case falls under the three-level three-instance system, Taisun Enterprise Co., Ltd. appealed to the Taiwan High Court in October 2024. Taisun Enterprise Co., Ltd. evaluated in accordance with the accounting standards and believed that as of June 30, 2025, it only had a possible obligation, not a current obligation, to pay the price judged by the court of first instance. In the future, it will evaluate the status of the obligation in a timely manner depending on the outcome of the litigation, and then reclassify other estimated payables in Taisun Enterprise Co., Ltd.'s accounts to liability reserves.
- F. For information related to Taisun Enterprise Co., Ltd.'s 40.39% equity investment in JKO FinTech Co., Ltd., please refer to Note 6 (12).
- G. Taisun Enterprise Co., Ltd received a complaint from Deyang Biotechnology Co., Ltd. to the Taipei District Court in Taiwan, requesting Taisun Enterprise Co., Ltd. to pay damages totaling approximately NT\$1,278 thousand. According to the first-instance judgment made by the Taiwan Taipei District Court on May 29, 2025, Taisun Enterprise Co., Ltd. is required to pay Deyang Biotechnology Co., Ltd. a total of approximately NT\$1,201 thousand. Taisun Enterprise Co., Ltd., based on accounting standards, assessed that as of June 30, 2025, it only has a possible obligation rather than a present obligation regarding the amount determined by the first-instance court ruling. However, Taisun Enterprise Co., Ltd. has fully provided for an allowance for doubtful accounts totaling approximately NT\$1,574 thousand related to accounts receivable from Deyang Biotechnology Co., Ltd.
- H. Taisun Enterprise Co., Ltd received a complaint from Boxin International Law Firm to the Taipei District Court in Taiwan, requesting that Taisun Enterprise Co., Ltd shall pay it a total of approximately NT\$8,712 thousand. Taisun Enterprise Co., Ltd assessed that since it was still in the court trial stage as of the financial report date, the current obligations are still uncertain, so no liability provision has been estimated.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Major disputes over contract performance

A. As of June 30, 2025, December 31, 2024 and June 30, 2024, the major disputes over contract performance between Reiju Construction (or subsidiaries) and the owners are as follows:

Project Name	Trades receivable	Other accounts receivables	Contract assets	Disputes on Contract Performance	Expected Loss (Note)
Fucheng Productivity Multidwelling Unit construction project				Due to the unilateral termination of the contract by the client,	
114.06.30	\$-	\$-	\$-	the subsidiary filed a lawsuit against the client for the payment	\$20,000
113.12.31	\$-	\$-	\$-	of the project amount and the return of the performance bond.	\$20,000
113.06.30	\$-	\$-	\$-	The arbitration award ruled that the client shall pay the subsidiary NT\$65,821 thousand, along with interest of NT\$12,812 thousand accruing from July 21, 2018, to August 19, 2022. The client, dissatisfied with the ruling, filed a petition with the court to annul the arbitration award, but the Supreme Court ruled against the client, confirming the loss.	\$20,000
				1. The client also claimed damages of NT\$73,654 thousand from the subsidiary arising from the termination of the contract. On May 28, 2021, the Taichung District Court ruled that the subsidiary should pay the client NT\$52,528 thousand. The subsidiary filed an appeal on June 25 of the same year, and the case is currently under trial at the Taichung Branch of the High Court.	
				2. The current progress of the trial involves both parties debating whether the client's re-bidding is factual, whether the client's losses from financing loans are related to this project, or if the client has submitted documents from other cases while falsely claiming them as losses from this project. The next court session is scheduled for August 28, 2025, and the final outcome will still be subject to the court's definitive judgment.	

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Trades	Other accounts			Expected Loss
Project Name	receivable	receivables	Contract assets	Disputes on Contract Performance	(Note)
Construction of the new Jinqin Building at the National Taipei University of Technology					
114.06.30	\$-	\$-	\$23,627	1. The client refused to pay the project amount on the grounds	\$12,700
113.12.31	\$-	\$-	\$23,627	that the subsidiary had exceeded the construction deadline.	\$12,700
113.06.30	\$-	\$-	\$23,627	However, there were many delays in the construction period attributable to the client, yet the client did not extend the construction period as stipulated in the contract. Therefore, the subsidiary is dissatisfied with this situation. The performance dispute referred to the action that was filed by the subsidiary with the Taipei District Court on April 21, 2023. The action sought payment from the client, including the subsidiary's share of project retention funds in the amount of NT\$23,627 thousand, additional project funds in the amount of NT\$15,259 thousand, material price adjustments in the amount of NT\$8,200 thousand, and project extension management fees in the amount of NT\$17,921 thousand. The case is currently pending a court hearing. The current progress of the trial: the court is deliberating on the selection of the appraiser.	\$12,700
Shunyao construction's new construction project in Wenquan Section of Beitou District					
114.06.30	\$-	\$-	\$6,888	1. The client refused to pay the project amount on the grounds that	\$-
113.12.31	\$-	\$-	\$6,888	the subsidiary had exceeded the construction deadline and had	\$-
113.06.30	\$-	\$-	\$6,888	not repaired defects. However, the delays in the project were caused by the client's repeated design changes, failure to provide special materials in a timely manner, and selection of colors, which violated the accompanying obligations and cannot be attributed to the subsidiary. Therefore, the subsidiary filed a lawsuit with the Taipei District Court in April 2023, requesting the client to pay the project amount of NT\$9,165 thousand. The trial is currently pending at the court while it commissions the Taipei City Civil Engineers Association to conduct an appraisal.	\$-

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Trades	Other accounts			Expected Loss
Project Name	receivable	receivables	Contract assets	Disputes on Contract Performance	(Note)
Public housing at Siwen Village					
114.06.30	\$-	\$-	\$148,817	1. The client imposed a penalty of NT\$92,763 thousand on the subsidiary for exceeding the construction deadline and for the late submission of documents. However, the subsidiary held the view that the construction delays were due to the impact of COVID-19 pandemic, which constituted a force majeure event. Additionally, the late submission of documents should not incur penalties based on the total contract price according to the agreement. Dissatisfied with the penalty amount imposed by the client, the subsidiary filed for mediation regarding the performance dispute with the Taipei City Government Procurement Complaints Committee on June 9, 2023.	\$52,724
113.12.31	\$-	\$-	\$148,817		\$30,000
113.06.30	\$-	\$-	\$127,891		\$-
2. During the mediation process, the client acknowledged that penalties for the late submission of documents should not be based on the total contract price, and the number of days affected by the COVID-19 pandemic is still pending calculation. However, since the project has not yet completed the final settlement, it is impossible to calculate the total amount of the final late penalty. The mediation committee advised the parties to withdraw the mediation and to reapply for mediation regarding the related disputes after the settlement is completed. Therefore, this case has been withdrawn for the time being.					
Construction Bureau, Taichung City Government - Taichung Green Museumbrary					
114.06.30	\$-	\$-	\$738,867	1. The client intends to impose a penalty on the subsidiary for construction overdue on the grounds of exceeding the construction deadline. However, this project was not subject to a single comprehensive acceptance; instead, it was accepted by levels, buildings, and phases, with handovers occurring at different stages. Additionally, the interruption from the renovation works of the second and third contracts, which were separately contracted by the client, has made it difficult to clarify the disputes regarding the construction timeline. Currently, the project is undergoing the acceptance process, and the subsidiary has tentatively estimated a loss of NT\$242,617 thousand as a variable consideration, which was recorded as a reduction in operating revenue.	\$242,617
113.12.31	\$-	\$-	\$810,626		\$200,000
113.06.30	\$16	\$-	\$446,473		\$-

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Project Name	Trades receivable	Other accounts receivables	Contract assets	Disputes on Contract Performance	Expected Loss (Note)
Cianjhen Fishing Port					
114.06.30	\$3	\$-	\$385,680	1. During the construction period of this project, the client	\$150,000
113.12.31	\$-	\$-	\$164,107	made multiple design changes; however, the client, under	\$150,000
113.06.30	\$30,575	\$-	\$97,209	the policy of requiring the subsidiary to continue working overtime, never agreed to extend the construction period. Dissatisfied with this situation, the subsidiary filed a performance dispute regarding the extension of the construction period with the Public Works Committee on February 7, 2025.	\$-
				2. According to the agreement, the penalty for late performance is calculated based on the construction portion of the original contract in the amount of NT\$2,002,160 thousand, with a penalty rate of 0.1% per day, capped at 20%. Therefore, the maximum amount of the late penalty is NT\$390,190 thousand.	
				3. Since this case is currently under mediation by the Public Works Committee, the subsidiary has assessed and determined that it constitutes variable consideration, and has tentatively reduced the total contract price by NT\$150,000 thousand.	

Note: In the construction contract signed by the subsidiary and the owner, the consideration promised by the owner may change due to the aforementioned disputes over the performance of the contract. The subsidiary estimates the changed amount of consideration, and adjusts the amount recognized related income during the period of consideration changes.

B. As of June 30, 2025, the payment dispute between the subsidiary and the contractors included the total amount of legal actions filed by the contractors against the subsidiary of NT\$95,749 thousand. The aforementioned cases are still in progress. According to the evaluation of the legal counsel, the results are unpredictable since the cases involved numerous projects with complicated miscellaneous claims. The major cases are as follows:

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Project name	Request for additional items
North Taipei District Power Distribution Center and Office Building Construction Project	1. The contractor requested the subsidiary to pay the unsettled construction fee and the additional construction fee of NT\$29,060 thousand. 2. Although the court had advised both parties to negotiate a settlement, the mediation was unsuccessful due to a lack of consensus on the amount. 3. The court commissioned the Taiwan Professional Electrical Engineers Association to conduct an appraisal; however, the appraisal report submitted by the association on June 20, 2025, was vague and did not specify the criteria and amounts for the additional items. Therefore, the subsidiary will petition the court to summon the appraiser to clarify the disputes in court.
New construction project of Hsinpuchan residential building in Wenhua Section, Banqiao District	1. A third party claimed that improper demolition work by the subsidiary resulted in damage to their property, and is therefore seeking joint compensation from the subsidiary for damages in the amount of NT\$2,790 thousand. 2. On May 6, 2022, the court submitted for assessment the extent of damage, the causes of damage, the proportion of damage caused by each company, and whether there was any interaction with natural forces. The appraisal report on May 15, 2024 held that the subsidiary should bear 95% of the responsibility; however, it failed to analyze whether the building's original tilt, along with the vibrations from the previous contractor's demolition and construction activities, contributed to the exacerbation of the tilt. 3. The subsidiary is willing to reconcile and estimated a short-term liability reserve of NT\$2,790 thousand. Currently, the court is calculating the depreciation amount of the building.
Guoan housing	1. The subsidiary terminated the contract with the contractor on December 7, 2022, citing the contractor's inability to perform due to the defects in their work. After the contractor's performance bond check was bounced, the subsidiary obtained permission from the court to provisionally seize the contractor's real estate. 2. The contractor provided collateral for the provisional seizure of the real estate, which led to the lifting of the provisional seizure. In June 2023, the contractor filed a lawsuit against the subsidiary, seeking payment of NT\$63,899 thousand for the project amount and requesting confirmation that the claim against the performance bond was non-existent. 3. Currently, the court is commissioning the National Institute of Building Technology to assess whether there are defects in the contractor's work.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Investment and contract amount disputes

Reiju Construction signed an investment agreement with Tangxi Construction Co., Ltd. to purchase the special shares it issued for NT\$79,800 thousand (financial assets measured at amortized cost — non—current). It is agreed that after the company completes the first general registration of the construction project 「New construction project of Hsinpuchan residential building in Wenhua Section, Banqiao District」 and the bank disburses 50% of the loan amount to the project purchaser, Tangxi Construction Co., Ltd. must redeem 50% of the special shares held by Reiju Construction or the joint guarantor must buy back all 50% of the special shares. When the bank disburses 90% of the loan amount to the project purchaser, Tangxi Construction Co., Ltd. must redeem the remaining 50% of the special shares held by Reiju Construction or the joint guarantor must buy back the remaining 50% of the special shares.

As of June 30, 2025, the conditions for redeeming the 50% preferred shares held by Reiju Construction have been met. Reiju Construction has reclassified financial assets amounting to NT\$39,900 thousand as other receivables. Additionally, Tangxi Construction Co., Ltd. owes Reiju Construction a total of NT\$89,862 thousand for the 「New construction project of Hsinpuchan residential building in Wenhua Section, Banqiao District」 project. Since Tangxi Construction Co., Ltd. is still unable to provide a specific payment schedule, Reiju Construction obtained permission from the court to provisionally seize the property of Tangxi Construction Co., Ltd. and its legal representative. Several pieces of real estate have been seized to secure its claims. Furthermore, Reiju Construction applied for a promissory note ruling regarding the guarantee notes issued by Tangxi Construction Co., Ltd. and obtained the execution title for the promissory note in early July 2025, with which it subsequently filed for compulsory enforcement with the court.

Regarding the investment agreement, Reiju Construction filed a civil lawsuit with the court on February 27, 2025, to assert its rights. For the project amount related to the "Banqiao Xinpu Zhan," Reiju Construction applied for arbitration with the arbitration association in mid-March 2025. Therefore, after assessing the recoverable value of the assets provisionally seized by the court, Reiju Construction recognized expected credit impairment losses of NT\$61,782 thousand for the related investment and project amount assets. This includes financial assets measured at amortized cost of NT\$39,990 thousand, other receivables of NT\$39,990 thousand, earned revenue receivable of NT\$21,792 thousand, and contract assets of NT\$89,862 thousand. The impairment losses were recorded under operating expenses and non-operating expenses, in the amount of NT\$28,970 thousand and NT\$32,812 thousand, respectively.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Delivery dispute

The former responsible person of Ryan Development Corp. sold three properties held by the company to a related party, Fong Yi Welding Technology, Co., Ltd., at prices below market value to gain illegal personal profits. Ryan Development Corp. believes that Zhang Zhengyue had a conflict of interest and did not recuse himself, rendering the sales contract invalid. Therefore, the company refused to deliver the properties. After Fong Yi Welding Technology, Co., Ltd. applied for court mediation on February 26, 2025, which was unsuccessful, the case has entered litigation proceedings.

E. Dispute over Sales Discounts and Commissions

- (a) The former responsible person of Ryan Development Corp. promised to return a portion of the sales price of properties sold to shareholders and employees as commissions after the completion and delivery of the Ryan Yueju project, in order to increase the sales of the project. However, Ryan Development Corp. believed that this practice violated the regulations on actual price registration and posed a risk of illegal conduct, and thus refused to fulfill the promise after the delivery. The plaintiff, dissatisfied with this, filed a lawsuit requesting Ryan Development Corp. to perform.
- (b) Ryan Development Corp. previously commissioned Mei Feng Marketing Co., Ltd. to sell the Ryan Yueju project, but there is still a dispute between the two parties regarding the calculation method for the commission. As a result, Mei Feng Co. filed a lawsuit seeking payment of the commission.
- (c) The former responsible person of Ryan Development Corp. promised to return a portion of the sales price of properties sold to employees of the sales agency as commissions after the completion and delivery of the Ryan Yueju project, in order to increase the sales of the project. However, Ryan Development Corp. believed that this practice violated the regulations on actual price registration and posed a risk of illegal conduct, and thus refused to fulfill the promise after the delivery. The plaintiff, dissatisfied with this, filed a lawsuit requesting Ryan Development Corp. to perform.

10. Losses due to major disasters

None.

11. Significant subsequent events

Taisun Co. is involved in a lawsuit against JKO FinTech Co., Ltd. regarding the return of investment funds. After the date of this financial report, provisional enforcement proceedings have taken place. Please refer to Note 6 (12) for further details.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Other

(1) Categories of financial instruments

Financial assets

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	\$458,272	\$322,719	\$424,615
Financial assets at fair value through other comprehensive income	1,877,714	1,733,775	1,791,495
Subtotal	2,335,986	2,056,494	2,216,110
Financial assets measured at amortized cost:			
Cash and cash equivalents (exclude cash on hand)	3,565,717	5,675,473	3,472,466
Accounts receivable (including related party)	2,162,743	1,589,946	2,289,579
Other receivable (including related party)	124,091	102,357	139,332
Prepayments for investments	3,600,000	3,600,000	3,600,000
Other financial assets (including current and non-current)	3,622,801	2,402,219	2,083,854
Subtotal	13,075,352	13,369,995	11,585,231
Total	<u>\$15,411,338</u>	<u>\$15,426,489</u>	<u>\$13,801,341</u>

Financial liabilities

	As at		
	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at amortized cost:			
Short-term borrowings	\$2,214,013	\$2,094,000	\$2,264,134
Short-term notes and bills payable	368,640	1,896,986	1,896,484
Accounts payable	2,614,636	2,909,554	2,421,099
Other payables (including related party)	1,055,916	744,962	726,728
Long-term borrowings (including current portion with maturity less than 1 year)	2,804,898	1,757,024	2,251,759
Lease liabilities	16,441	16,546	16,085
Guarantee deposits received	2,475,546	2,292,369	2,291,210
Total	<u>\$11,550,090</u>	<u>\$11,711,441</u>	<u>\$11,867,499</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities of Food Processing and Sales Department (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

- A. When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the six-month period ended June 30, 2025 and 2024 is decreased/increased by NT\$1,679 thousand and NT\$5,167 thousand, respectively.
- B. When NTD strengthens/weakens against foreign currency CNY by 1%, the profit for the six-month period ended June 30, 2025 and 2024 is decreased/increased by NT\$2,843 thousand and NT\$1,846 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.5% of interest rate in a reporting period could cause the profit for the six-month period ended June,30 2025 and 2024 is decreased/increased by NT\$12,548 thousand and NT\$11,290 thousand respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At the reporting date, a change of 5% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the six-month period ended June,30 2025 and 2024 is increased /decreased by NT\$3,146 thousand and NT\$3,427 thousand respectively.

At the reporting date, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$75,063 thousand and NT\$89,575 thousand on the equity attributable to the Group for the six-month periods ended June,30 2025 and 2024, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and notes receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance. Considering the aforementioned comprehensively and taking into account the circumstances of each department, the descriptions are provided separately as follows:

- A. The Group's construction segment has a concentration of clients in construction companies and government agencies. In order to mitigate credit risks, the group consistently evaluates the financial conditions of its clients. When necessary, guarantees or collateral are requested, and the likelihood of accounts receivable recovery is periodically assessed. Adequate provisions for doubtful accounts are made accordingly. The anticipated losses related to doubtful accounts are currently within the management's expectations.
- B. In respect of investment business, the Group conducts financial instrument transactions banks with good credit standing and financial institutions which are graded above investment level, so there shall be no material credit risks.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. The Group's funeral services and recreation divisions have a wide customer base, with the majority of transactions conducted in cash. Therefore, there is no significant concentration of credit risk associated with accounts receivable. To mitigate credit risks, the Group consistently assesses the financial conditions of its customers, although collateral is typically not required.

D. The food processing and sales division of the Group, which sells products to investee companies accounted for under the equity method, is part of the upstream and downstream industries related to the Group. The Group consistently evaluates the financial conditions of these investee companies to mitigate credit risks. For the rest of the broad customer base, transactions are not significantly concentrated with a single customer, and sales are geographically diversified. Therefore, there is no significant concentration of credit risk associated with accounts receivable. To further reduce credit risks, the Group periodically assesses the financial conditions of its customers and may request collateral when deemed necessary.

As at June 30, 2025, December 31, 2024 and June 30, 2024, the accounts receivable from the largest customer, Central Union Oil Corp., account for 11%, 17% and 10% of the total accounts receivable of the Group. The credit concentration risk for the remaining accounts receivable is relatively immaterial.

The Group's clients are primarily concentrated in public construction projects and some private projects. As at June 30, 2025, December 31, 2024 and June 30, 2024, the concentration of credit risk towards government units in public construction projects accounted for 49%, 47% and 38% of the total contract assets, respectively. However, as the counterparties are government agencies, there is no credit risk. While undertaking private projects to reduce credit risk, the Group regularly assesses the likelihood of recovering contract assets and makes provisions for impairment losses. The anticipated impairment losses are currently within management's expectations.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The following table shows the maturity dates of financial liabilities, including estimated interest but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years
As at June 30, 2025						
Non-derivative financial liabilities						
Floating rate instruments	\$5,018,911	\$5,466,278	\$2,442,159	\$538,578	\$1,019,758	\$1,465,783
Fixed rate instruments	368,641	371,932	371,932	-	-	-
Lease liabilities	16,441	16,858	9,227	5,973	1,658	-
Non-interest-bearing Liabilities	6,146,098	6,146,098	3,670,552	-	-	2,475,546
Total	<u>\$11,550,091</u>	<u>\$12,001,166</u>	<u>\$6,493,870</u>	<u>\$544,551</u>	<u>\$1,021,416</u>	<u>\$3,941,329</u>
As at December 31, 2024						
Non-derivative financial liabilities						
Floating rate instruments	\$3,851,024	\$3,975,543	\$2,451,952	\$70,174	\$1,041,506	\$411,911
Fixed rate instruments	1,896,986	1,920,461	1,920,461	-	-	-
Lease liabilities	16,546	17,419	8,936	5,787	2,696	-
Non-interest-bearing Liabilities	5,946,884	5,946,885	3,654,516	-	-	2,292,369
						(Note)
	<u>\$11,711,440</u>	<u>\$11,860,308</u>	<u>\$8,035,865</u>	<u>\$75,961</u>	<u>\$1,044,202</u>	<u>\$2,704,280</u>
As at June 30, 2024						
Non-derivative financial liabilities						
Floating rate instruments	\$4,515,893	\$4,812,720	\$2,706,995	\$526,558	\$1,066,387	\$512,780
Fixed rate instruments	1,896,484	1,951,692	1,951,692	-	-	-
Lease liabilities	16,085	16,579	7,631	4,924	4,024	-
Non-interest-bearing Liabilities	5,439,037	5,439,037	3,147,827	-	-	2,291,210
						(Note)
	<u>\$11,867,499</u>	<u>\$12,220,028</u>	<u>\$7,814,145</u>	<u>\$531,482</u>	<u>\$1,070,411</u>	<u>\$2,803,990</u>

Notes: Mainly a deposit for stadium membership.

The Group does not anticipate significant advancement in the timing of cash flows in the maturity date analysis, nor does it expect significant differences in the actual amounts.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month periods ended June,30 2025:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Guarantee deposits received	Leases liabilities	Total liabilities from financing activities
As of January 1, 2025	\$2,094,000	\$1,896,986	\$1,757,024	\$2,292,369	\$16,546	\$8,056,925
Cash flows	120,013	(1,545,830)	1,047,874	183,177	(5,960)	(200,726)
Non-cash changes	-	17,484	-	-	5,855	23,339
As of June 30, 2025	<u>\$2,214,013</u>	<u>\$368,640</u>	<u>\$2,804,898</u>	<u>\$2,475,546</u>	<u>\$16,441</u>	<u>\$7,879,538</u>

Reconciliation of liabilities for the six-month periods ended June,30 2024:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Guarantee deposits received	Leases liabilities	Total liabilities from financing activities
As of January 1, 2024	\$2,491,000	\$2,095,929	\$2,116,153	\$2,302,859	\$23,604	\$9,029,545
Cash flows	(226,866)	(199,445)	135,682	(11,649)	(5,042)	(307,320)
Non-cash changes	-	-	(76)	-	(2,477)	(2,553)
As of June 30, 2024	<u>\$2,264,134</u>	<u>\$1,896,484</u>	<u>\$2,251,759</u>	<u>\$2,291,210</u>	<u>\$16,085</u>	<u>\$8,719,672</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

None.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Listed domestic companies stocks	\$62,922	\$-	\$-	\$62,922
Beneficiary certificate - open end funds	395,350	-	-	395,350
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,501,262	-	-	1,501,262
Domestic emerging stocks	-	12,255	-	12,255
Unlisted domestic companies stocks	-	-	364,197	364,197

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Listed domestic companies stocks	\$64,739	\$-	\$-	\$64,739
Beneficiary certificate - open end funds	257,980	-	-	257,980
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,376,412	-	-	1,376,412
Domestic emerging stocks	-	16,875	-	16,875
Unlisted domestic companies stocks	-	-	338,947	338,947
Unlisted foreign companies stocks	-	-	1,541	1,541

As of June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Listed domestic companies stocks	\$68,541	\$-	\$-	\$68,541
Beneficiary certificate - open end funds	356,074	-	-	356,074
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,415,058	-	-	1,415,058
Domestic emerging stocks	-	20,925	-	20,925
Unlisted domestic companies stocks	-	-	352,539	352,539
Unlisted foreign companies stocks	-	-	2,974	2,974

Transfers between Level 1 and Level 2 during the period

During the six-month periods ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Details of changes in Level 3 of the recurring fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2025	\$340,488
Total gain and loss recognized from 2025.1.1 to 2025.6.30:	
Amount recognized in OCI (presented in "Unrealized gain (loss) from equity instruments investments measured at fair value through other comprehensive income)	23,709
Ending balances as at June 30, 2025	\$364,197

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2024	\$325,883
Total gain and loss recognized from 2024.1.1 to 2024.6.30:	
Amount recognized in OCI (presented in “Unrealized gain (loss) from equity instruments investments measured at fair value through other comprehensive income)	29,630
Ending balances as at June 30, 2024	\$355,513

Information on significant unobservable inputs to valuation of fair value measurements
categorized within Level 3 of the fair value hierarchy

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of June 30, 2025:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach- Comparable company analysis	discount for lack of marketability valuation multiple	23.61%~32.28% 1.16~12.42	The higher the discount for lack of marketability, the lower the fair value of the stocks The higher the multiple, the higher the fair value.	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by \$7,509/(8,476) thousand
Financial assets at fair value through other comprehensive income					
Stocks	Asset-based approach	discount for lack of marketability control discount	10%~32.28% 6.28%~12.59%	The higher the discount for lack of marketability, the lower the fair value of the stocks The higher the control discount, the lower the fair value.	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by \$(2,992)/3,049 thousand

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach-Comparable company analysis	discount for lack of marketability	25.2%~50%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by \$7,441/(8,385) thousand
		valuation multiple	1.12~4.16	The higher the multiple, the higher the fair value.	
Financial assets at fair value through other comprehensive income					
Stocks	Asset-based approach	discount for lack of marketability	10%~32.28%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by \$(2,796)/2,849 thousand
		control discount	6.28%~13.27%	The higher the control discount, the lower the fair value.	

As of June 30, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach-Comparable Company analysis	discount for lack of marketability	10.00%~32.28%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by \$(8,157)/7,059 thousand
		valuation multiple	0.06~3.92	The higher the multiple, the higher the fair value.	
Financial assets at fair value through other comprehensive income					
Stocks	Asset-based approach	discount for lack of marketability	32.28%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by \$(2,539)/2,587 thousand
		control discount	6.28%	The higher the control discount, the lower the fair value.	

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy.

The Group's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date, to ensure that the evaluation results are reasonable.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Amount unit: thousand			
	As of June 30, 2025		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$5,730	29.3000	\$167,897
JPY	75,607	0.2034	15,378
CNY	69,506	4.0910	284,349
EUR	2	34.3500	60
<u>Financial liabilities</u>			
Monetary items:			
CNY	\$16	4.0910	\$67

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amount unit: thousand

As of December 31, 2024			
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$4,269	32.7850	\$139,958
JPY	47,203	0.2098	9,903
CNY	65,876	4.4780	294,993
EUR	91	34.1316	3,120
<u>Financial liabilities</u>			
Monetary items:			
CNY	\$24	4.4780	\$107

Amount unit: thousand

As of June 30, 2024			
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$15,924	32.4500	\$516,731
JPY	148,464	0.2016	29,930
CNY	41,626	4.4450	185,026
<u>Financial liabilities</u>			
Monetary items:			
USD	\$-	32.4500	\$-
CNY	94	4.4450	420

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The significant monetary assets held by the Group are primarily denominated in CNY and USD. The foreign exchange (losses) gains for the six-month period ended June 30, 2025 and 2024, amounted to NT\$(24,814) thousand and NT\$33,190 thousand.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosure

(1) Information on significant transactions

No.	Items	Attachments
1	Financing provided to others	Attachment 1
2	Providing endorsements or guarantees for others	Attachment 2
3	Securities held as of 30 June 2025.	Attachment 3
4	Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock	Attachment 4
5	Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock	Attachment 5
6	Other: The business relationship, significant transactions and amounts between parent company and subsidiaries	Attachment 6

(2) Information on investees

No.	Items	Attachments
1	Financing provided to others	Attachment 1
2	Providing endorsements or guarantees for others	Attachment 2
3	Securities held as of 30 June 2025.	Attachment 3
4	Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock	Attachment 4
5	Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock	Attachment 5
6	Information related to the names, locations, etc. of the investee companies	Attachment 7

(3) Information on investment in Mainland China: Please refer to Attachment 8.

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

14. Segment information

The information and adjustments of the Group's operating departments are as follows:

For three-month periods ended June 30, 2025

	<u>Construction business</u>							<u>Consolidated</u>
	Construction	Real Estate		Funeral		Food	Adjustment	
	Engineering	Development	Investment	Services	Recreation	Processing	and	
	Department	Department	Department	Department	Department	and Sales	elimination	
Revenue								
External customer	\$2,744,466	\$6,603	\$-	\$75,499	\$67,356	\$2,430,131	\$-	\$5,324,055
Inter-segment	989	19,855	-	(585)	1,037	620	(21,916)	-
Total revenue	<u>\$2,745,455</u>	<u>\$26,458</u>	<u>\$-</u>	<u>\$74,914</u>	<u>\$68,393</u>	<u>\$2,430,751</u>	<u>\$(21,916)</u>	<u>\$5,324,055</u>
Segment profit	<u>\$92,826</u>	<u>\$309</u>	<u>\$160,329</u>	<u>\$26,075</u>	<u>\$(2,343)</u>	<u>\$135,372</u>	<u>\$(175,588)</u>	<u>\$236,980</u>

For three -month periods ended June 30, 2024

	<u>Construction business</u>							<u>Consolidated</u>
	Construction	Real Estate		Funeral		Food	Adjustment	
	Engineering	Development	Investment	Services	Recreation	Processing	and	
	Department	Department	Department	Department	Department	and Sales	elimination	
Revenue								
External customer	\$2,872,709	\$10,047	\$-	\$41,318	\$67,609	\$2,555,911	\$-	\$5,547,594
Inter-segment	3,615	14,426	-	300	158	184	(18,683)	-
Total revenue	<u>\$2,876,324</u>	<u>\$24,473</u>	<u>\$-</u>	<u>\$41,618</u>	<u>\$67,767</u>	<u>\$2,556,095</u>	<u>\$(18,683)</u>	<u>\$5,547,594</u>
Segment profit	<u>\$205,134</u>	<u>\$(19,942)</u>	<u>\$285,534</u>	<u>\$7,039</u>	<u>\$1,639</u>	<u>\$236,450</u>	<u>\$(279,435)</u>	<u>\$436,419</u>

LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For six-month periods ended June 30, 2025

	Construction business					Food		
	Construction	Real Estate		Funeral		Processing	Adjustment	
	Engineering	Development	Investment	Services	Recreation	and Sales	and	
	Department	Department	Department	Department	Department	Department	elimination	Total
Revenue								
External customer	\$4,905,740	\$13,058	\$-	\$137,238	\$125,267	\$4,928,563	\$-	\$10,109,866
Inter-segment	(152)	40,415	-	2,130	1,164	918	(44,475)	-
Total revenue	<u>\$4,905,588</u>	<u>\$53,473</u>	<u>\$-</u>	<u>\$139,368</u>	<u>\$126,431</u>	<u>\$4,929,481</u>	<u>\$(44,475)</u>	<u>\$10,109,866</u>
Segment profit	<u>\$253,593</u>	<u>\$4,584</u>	<u>\$360,879</u>	<u>\$45,084</u>	<u>\$(11,686)</u>	<u>\$306,875</u>	<u>\$(395,774)</u>	<u>\$563,555</u>

For six-month periods ended June 30, 2024

	Construction business					Food		
	Construction	Real Estate		Funeral		Processing	Adjustment	
	Engineering	Development	Investment	Services	Recreation	and Sales	and	
	Department	Department	Department	Department	Department	Department	elimination	Total
Revenue								
External customer	\$5,219,920	\$1,254,691	\$-	\$94,604	\$123,667	\$5,309,768	\$-	\$12,002,650
Inter-segment	8,619	28,852	-	310	291	2,042	(40,114)	-
Total revenue	<u>\$5,228,539</u>	<u>\$1,283,543</u>	<u>\$-</u>	<u>\$94,914</u>	<u>\$123,958</u>	<u>\$5,311,810</u>	<u>(40,114)</u>	<u>\$12,002,650</u>
Segment profit	<u>\$360,349</u>	<u>\$255,013</u>	<u>\$489,513</u>	<u>\$24,247</u>	<u>\$(2,140)</u>	<u>\$417,309</u>	<u>\$(494,736)</u>	<u>\$1,049,555</u>

Note: Reconciliation and elimination are mainly adjustments to relevant consolidated write-offs in the preparation of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 1: Financing provided to others

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Financing company	Counterparty	Financial statement account (Note 2)	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 8 and 9)	Actual amount provided	Interest rate	Nature of financing (Note 4)	Transaction Amounts (Note 5)	Reason for financing (Note 6)	Allowance for bad debt	Collateral		Amount for individual counterparty (Note 7 and 8)	Financial amount for financing company (Note 7 and 8)
													Item	Value		
0	The Company	Everwin Investment Co, Ltd.	Other receivables - other	Y	\$1,150,000	\$750,000	\$730,000	2.5%~3%	2	\$-	Operating turnover	\$-	Commercial paper	\$750,000	\$1,236,028	\$4,944,110
0	The Company	Sky Honor International Co., Ltd.	Other receivables - other	Y	50,000	50,000	10,000	2.00%	1	50,104	-	-	Commercial paper	50,000	1,236,028	4,944,110
1	Reiju Construction Co., Ltd.	The Company	Other receivables - other	Y	145,000	145,000	-	3.00%	2	-	Operating turnover	-	Commercial paper	145,000	193,352	773,410
1	Reiju Construction Co., Ltd.	Everwin Investment Co, Ltd.	Other receivables - other	Y	145,000	145,000	145,000	3.00%	2	-	Operating turnover	-	Commercial paper	145,000	193,352	773,410
2	Reicheng Construction Co., Ltd.	Hsunlei Enterprise Co., Ltd.	Prepayments	N	5,500	5,500	1,093	4.00%	1	6,351	-	-	Pumping equipment	5,500	28,628	28,628
2	Reicheng Construction Co., Ltd.	Reiju Construction Co., Ltd.	Other receivables - other	Y	21,000	-	-	2.30%	2	-	Operating turnover	-	-	-	28,628	28,628
3	Everwin Investment Co, Ltd.	Longhui Development Co., Ltd.	Other receivables - other	Y	15,000	15,000	15,000	2.50%	2	-	Operating turnover	-	Commercial paper	15,000	401,554	1,070,810
3	Everwin Investment Co, Ltd.	Tonghwa International Golf Recreation Co., Ltd	Other receivables - other	Y	130,000	-	-	2.50%	2	-	Operating turnover	-	-	-	401,554	1,070,810
3	Everwin Investment Co, Ltd.	Tonghwa International Golf Recreation Co., Ltd	Other receivables - other	Y	130,000	80,000	-	3.50%	2	-	Operating turnover	-	Commercial paper	80,000	401,554	1,070,810
3	Everwin Investment Co, Ltd.	North Bay Recreation Co., Ltd.	Other receivables - other	Y	320,000	-	-	2.50%	2	-	Operating turnover	-	-	-	401,554	1,070,810
3	Everwin Investment Co, Ltd.	North Bay Recreation Co., Ltd.	Other receivables - other	Y	320,000	20,000	10,000	3.50%	2	-	Operating turnover	-	Commercial paper	20,000	401,554	1,070,810
3	Everwin Investment Co, Ltd.	North Bay Recreation Co., Ltd.	Other receivables - other	Y	320,000	150,000	150,000	3.50%	2	-	Operating turnover	-	Commercial paper	150,000	401,554	1,070,810
4	Long Bao Co., Ltd.	Longfu Real Estate Co., Ltd.	Other receivables - other	Y	20,000	20,000	17,500	2.50%	2	-	Operating turnover	-	Commercial paper	20,000	97,517	260,046
4	Long Bao Co., Ltd.	Tonghwa International Golf Recreation Co., Ltd	Other receivables - other	Y	140,000	-	-	2.50%	2	-	Operating turnover	-	-	-	97,517	260,046
4	Long Bao Co., Ltd.	Tonghwa International Golf Recreation Co., Ltd	Other receivables - other	Y	140,000	70,000	-	3.00%	2	-	Operating turnover	-	Commercial paper	70,000	97,517	260,046
4	Long Bao Co., Ltd.	Sanzhi Chih An Garden Co., Ltd.	Other receivables - other	Y	50,000	30,000	18,500	2.50%	2	-	Operating turnover	-	Commercial paper	30,000	97,517	260,046

Note 1: The Company and its subsidiaries are coded as follows:

- 1.The Company is coded "0".
- 2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items recorded include trade receivables from associates, receivables from related parties, shareholder transactions, prepayments, advances, and similar itmes. If these items are of a nature involving financing provided to others, fill in the field.

Note 3: Fill in the maximum balance of funds provided to others (amount approved by the Board of Directors) accumulated for the year ended June 30, 2025.

Note 4: Explanation of the nature of financing: Investee company that has a business relationship with the parent is coded "1"; Short-term financing is coded "2".

Note 5: Fill in the amount of sales to (purchase from) counterparty for financing categorized as business transactions. The business transaction amount refers to the amount of business transactions between the lending company and the borrowing party for the most recent fiscal year.

Note 6: Where short-term financing is required, the reason for the required financing and the borrower's purpose of use shall be stated, such as repaying loans, purchasing equipment or business financing.

Note 7: For those who need short-term financing, the limits are as follows:

The total amount of guarantees and endorsements provided by the Company for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 10% of its net worth for the period.

The total amount of guarantees and endorsements provided by Reiju Construction Co., Ltd. for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 10% of its net worth for the period.

The total amount of guarantees and endorsements provided by Reicheng Construction Co., Ltd. for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 40% of its net worth for the period.

The total amount of guarantees and endorsements provided by Everwin Investment Co., Ltd. for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 15% of its net worth for the period.

The total amount of guarantees and endorsements provided by Long Bao Co., Ltd. for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 15% of its net worth for the period.

The total amount of guarantees and endorsements provided by Ryan Development C for external parties shall not exceed 40% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 40% of its net worth for the period.

Note 8: When engaging in fund loans between the Company and foreign companies in which it directly or indirectly holds 100% voting shares, or when a foreign company directly or indirectly holding 100% voting shares of the Company provides fund loans to this company, the maximum limit for both the aggregate and individual entities shall not exceed 100% of the lending company's net worth. The term of the loan is limited to two years.

Note 9: In accordance with Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", for loans of funds between the public company and its parent company or subsidiaries,or between its subsidiaries, such funds shall be submitted for a resolution by the board of directors, even if the disbursement has not yet occurred, the board-approved amount shall be disclosed as a reported balance to disclose the assumed risk. Subsequently, upon repayment of the funds, the adjusted remaining balance shall be disclosed to reflect risk adjustments. In the case where a public company operates under Paragraph 2, Article 14 of the regulation, authorizing the chairman to disburse funds incrementally within a certain limit and over a one-year period, the announced reported balance shall be based on the board-approved amount. After the fund is repaid, considering the possibility of further disbursements, the reported balance shall continue to reflect the board-approved fund lending limit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 2: Providing endorsements or guarantees for others

Unit: in Thousands of New Taiwan Dollars

No. (Note1)	Endorser/Guarantor	Entity for which the guarantee is made		Limited of Endorsement/ Guarantee Amount for receiving party (Note 3)	Maximum Balance of the period (Note 4)	Ending Balance (Note 5)	Actual Amount provided (Note 6)	Amount of Endorsement/ Guarantee collateralized	Percentage of Accumulated Endorsement/ Guarantee to Net Equity per latest Financial statements	Maximum guaranteed amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries (Note 7)	Provision of guarantee by parent company to parent company (Note 7)	Endorsement or Guarantee for Entities in China (Note 7)
		Company name	Relationship (Note2)										
0	The Company	Everwin Investment Co, Ltd.	2	\$12,360,275	\$2,600,000	\$1,300,000	\$1,300,000	\$-	10.52%	\$24,720,550	Y	N	N
0	The Company	North Bay Recreation Co., Ltd.	2	12,360,275	570,000	570,000	389,900	-	4.61%	24,720,550	Y	N	N
0	The Company	Reiju Construction Co., Ltd.	2	12,360,275	5,600,000	5,600,000	2,642,026	-	45.31%	24,720,550	Y	N	N
1	Reicheng Construction Co., Ltd.	Reiju Construction Co., Ltd.	3	5,950,000	1,453,720	1,453,720	-	-	2031.16%	8,925,000	N	Y	N
2	Everwin Investment Co, Ltd.	The Company	3	5,354,052	20,000	20,000	18,000	20,000	0.75%	5,354,052	N	Y	N
2	Everwin Investment Co, Ltd.	Tonghwa International Golf Recreation Co., Ltd.	2	5,354,052	22,250	22,250	-	-	0.83%	5,354,052	Y	N	N
3	Longhui Development Co., Ltd.	The Company	3	153,359	25,000	25,000	22,500	25,002	4.08%	245,374	N	Y	N
4	Long Bao Co., Ltd.	The Company	3	162,529	110,000	110,000	99,000	110,017	16.92%	260,046	N	Y	N
5	Tonghwa International Golf Recreation Co., Ltd.	The Company	3	115,549	100,000	100,000	76,500	100,009	605.80%	115,549	N	Y	N
6	North Bay Recreation Co., Ltd.	The Company	3	28,162	15,000	-	-	-	- %	28,162	N	Y	N

Note 1: The Company and its subsidiaries are coded as follows:

- (1) The Company is coded "0".
- (2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Seven categories of relationship with the endorser/guarantor:

- (1) Trading counterparty.
- (2) The Company directly or indirectly holds more than 50% voting right.
- (3) Other companies directly or indirectly hold more than 50% voting rights of the Company.
- (4) The Company directly or indirectly holds more than 90% voting right.
- (5) A company that is mutually insured under contractual requirements based on the needs of the contractor.
- (6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- (7) Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

- Note 3: (1) The total amount of guarantees and endorsements provided by the Company for external parties shall not exceed 200% of its net worth for the current period, and the guarantees and endorsements for a single entity shall not exceed 100% of its net worth for the period.
- (2) The limit on guarantees and endorsements of Reiju Construction Co., Ltd.: The total amount provided for external construction projects and a single construction project shall not exceed 15 times and 7.5 times of the total value of the Company's paid in capital, respectively.
- (3) The limit on guarantees and endorsements provided by Reicheng Construction Co., Ltd.: The total amount guarantees for external construction projects and for the construction projects of a single entity shall not exceed 150 times and 100 times of the total value of the paid in capital, respectively.
- (4) The total amount of endorsements and guarantees provided by Everwin Investment Co, Ltd. shall not exceed 40% of its net value in the most recent financial statements. For endorsements and guarantees to a single enterprise, the limit shall not exceed 40% of the net value in the most recent financial statements, except for subsidiaries in which the company directly or indirectly holds more than 90% ownership. For all other cases, the limit shall not exceed 25% of the net value in the most recent financial statements. However, the guarantee limit for companies in which the Company holds 100% shares, as well as for companies that hold 100% of the Company's shares, shall not exceed 200% of the current net value.
- (5) The total amount of guarantees and endorsement provided by Longhui Development Co., Ltd. shall not exceed 40% of its net worth for the current period , and the guarantees and endorsements for a single entity shall not exceed 25% of its net worth for the current period.
- (6) The total amount of guarantees and endorsement provided by Long Bao Co., Ltd. shall not exceed 40% of its net worthfor the current peiord , and the guarantees and endorsements for a single entity shall not exceed 25% of its net worthfor the current peiord.
- (7) The total amount of guarantees and endorsement provided by Tonghwa International of Golf Recreation Co., Ltd. shall not exceed 700% of its net worth of the latest financial statement, and the guarantees and endorsements for a single entity shall not exceed 700% of its net worth of its net worth of the latest financial statement.
- (8) The total amount of guarantees and endorsement provided by North Bay Recreation Co., Ltd. shall not exceed 200% of its net worthfor the current peiord, and the guarantees and endorsements for a single entity shall not exceed 200% of its net worthfor the current peiord.
- (9) The limit on guarantees and endorsements provided by Ryan Development Co., Ltd. : The total amount guarantees for external construction projects and for the construction projects of a single entity shall not exceed 150 times and 100 times of the total value of the paid in capital, respectively.

Note 4: Maximum amount guaranteed for others in the current year.

Note 5: Fill in the amount approved by the board of directors. However, if the board of directors authorizes the chairman to make decisions in accordance with Paragraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies, the amount refers to the amount determined by the chairman.

Note 6: Fill in the actual disbursement amount by the endorsed and guaranteed company within the range of the endorsed and guaranteed balance.

Note 7: For a listed parent company providing endorsement and guarantees to its subsidiary, for the subsidiary providing endorsement and guarantees to its listed parent company, and for those providing endorsement and guarantees in China, please fill in 'Y'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 3: Securities Held (Excluding subsidiaries, associates and joint ventures)

Unit: in Thousands of New Taiwan Dollars

Holding Company	Type of securities (Note 1)	Name of securities	Relationship (Note 2)	Financial statement account	As at June 30, 2025				Note (Note 4)
					Shares	Carrying amount (Note 3)	Percentage of ownership (%)	Fair value	
The Company	Stock	Chia Yi Investment Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income, non-current	1,200,000	113,377	8.00%	113,377	
The Company	Stock	You Long Construction Development Co., Ltd.	Substantive related parties	Financial assets measured at fair value through other comprehensive income, non-current	4,487,620	169,142	17.26%	169,142	
Everwin Investment Co., Ltd.	Bond	Subordinated Debt of Bank of Panhsin	-	Financial assets at amortised cost, non-current	200,000	20,000	- %	20,000	
Longhui Development Co., Ltd.	Bond	Subordinated Debt of Bank of Panhsin	-	Financial assets at amortised cost, non-current	250,000	25,002	- %	25,002	
North Bay Recreation Co., Ltd.	Bond	Subordinated Debt of Bank of Panhsin	-	Financial assets at amortised cost, non-current	150,000	14,924	- %	14,924	
Tonghwa International Golf Recreation Co., Ltd.	Bond	Subordinated Debt of Bank of Panhsin	-	Financial assets at amortised cost, non-current	1,000,000	100,009	- %	100,009	
Tonghwa International Golf Recreation Co., Ltd.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss, current	3,853,329	50,357	- %	50,357	
Long Bao Co., Ltd.	Bond	Subordinated Debt of Bank of Panhsin	-	Financial assets at amortised cost, non-current	1,100,000	110,017	- %	110,017	
Reiju Construction Co., Ltd.	Preferred stock	Tan Shi Construction Co., Ltd.	-	Financial assets at amortised cost, non-current	3,000,000	39,990	31.91%	39,990	
Reiju Construction Co., Ltd.	Stock	Long Bon International Co., Ltd.	Parent company	Financial assets measured at fair value through other comprehensive income, non-current	36,608,592	600,381	9.27%	600,381	
Reiju Construction Co., Ltd.	Bond	Heyun Car Rental (CP2)	-	Financial assets at amortised cost, current	78,000,000	77,871	- %	77,871	
Reiju Construction Co., Ltd.	Bond	Shangli (CP2)	-	Financial assets at amortised cost, current	50,000,000	49,858	- %	49,858	
Reiju Construction Co., Ltd.	Bond	Qunxi (CP2)	-	Financial assets at amortised cost, current	26,000,000	25,926	- %	25,926	
Reiju Construction Co., Ltd.	Bond	Fong-Yi (CP2)	-	Financial assets at amortised cost, current	100,000,000	99,564	- %	99,564	
Reiju Construction Co., Ltd.	Bond	UNIFISHERY ENTERPRISE CO., LTD.(CP2)	-	Financial assets at amortised cost, current	30,000,000	29,962	- %	29,962	
Taisun Enterprise Co. Ltd.	Stock	Yi Jinn Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss, current	2,753,730	47,915	0.87%	47,915	
Taisun Enterprise Co. Ltd.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss, current	19,160,646	324,740	- %	324,740	
Taisun Enterprise Co. Ltd.	Stock	Taiwan Familymart Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income, non-current	6,836,417	1,404,884	3.06%	1,404,884	
Pin-Tai Distribution Enterprise Co., Ltd.	Stock	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets measured at fair value through other comprehensive income, non-current	10,351,332	212,202	2.07%	212,202	Note 6

Note 1: "Financial instruments" as referred to in this table includes stocks, bonds, beneficiary certificate, and securities derived from the aforementioned items, within the scope of IFRS 9 Financial Instruments.

Note 2: Not required if the issuer of securities is not a related party.

Note 3: For items measured at fair value, the "Carrying amount" column represents the adjusted carrying amount after fair value assessment. For items not measured at fair value, the "Carrying amount" column represents the original acquisition cost or the carrying amount of amortized cost less accumulated impairments.

Note 4: The listed securities that are subject to restrictions on use due to providing collateral, pledged loans, or other agreements should indicate in the remarks column the number of shares provided as collateral or pledged, the amount of collateral or pledged loans, and the circumstances of the usage restrictions.

Note 5: This table lists the securities that the company has determined must be disclosed based on the principle of materiality.

Note 6: Eliminated during the preparation of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 4: Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of the paid-in capital

Unit: in Thousands of New Taiwan Dollars

Company Name	Counterparty	Relationship	Intercompany Transactions				Details different of non-arm's length transactions(Note 1)		Notes and accounts receivable (Notes and accounts payable)		Note
			Purchases/ Sales	Amount	Percentage of total purchase or Sales	Payment terms	Unit price	Payment terms	Carrying amount	Percentage of total receivables (payable)	
Taisun Enterprise Co., Ltd.	Pin-Tai Distribution Enterprise Co., Ltd.	Subsidiary	Sales	(950,679)	(23%)	Payment by monthly settlement with a 60-day remittance	No significant difference	No significant difference	\$533,755	43%	(Note 2)
Taisun Enterprise Co., Ltd.	Central Union Oil Corp.	Associated company	Sales	(1,137,030)	(27%)	Receipt of payment within 45 to 60 days	No significant difference	No significant difference	239,357	19%	
Pin-Tai Distribution Enterprise Co., Ltd.	Taisun Enterprise Co., Ltd.	Subsidiary	Purchases	950,679	100%	Payment by monthly settlement with a 60-day remittance	No significant difference	No significant difference	(533,755)	(98%)	(Note 2)

Note 1: The above ratios are calculated based on the individual financial statements of companies as a percentage of their respective sales (purchases) of goods.

Note 2: Eliminated during the preparation of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 5: Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of the paid-in capital

Unit: in Thousands of New Taiwan Dollars

Company Name	Counterparty	Relationship	Amount	Average collection turnover	Overdue teade receivables - related parties		Collection in subsequent period	Allowance for doubtful debts	Note
					Amount	Processing method			
Taisun Enterprise Co., Ltd.	Central Union Oil Corp.	Associate	\$239,357	8.79	\$-	-	\$78,133	\$-	
Taisun Enterprise Co., Ltd.	Pin-Tai Distribution Enterprise Co., Ltd.	Subsidiary	533,755	3.93	-	-	329,804	-	(Note)

Note : Eliminated during the preparation of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 6: Intercompany Relationships and significant intercompany transactions

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Related parties	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Financial statement account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets (Note 3)
0	The Company	Taisun Enterprise Co., Ltd.	Note 2(1)	Lease revenue	\$11,335	Monthly billing	0.11%
1	Everwin Investment Co, Ltd.	Tonghwa International Golf Recreation Co., Ltd	Note 2(3)	Lease revenue	28,578	Monthly billing	0.28%
2	Taisun Enterprise Co. Ltd.	Pin-Tai Distribution Enterprise Co., Ltd.	Note 2(3)	Sales	950,679	Payment within 60 days from the end of the month	9.40%
2	Taisun Enterprise Co. Ltd.	Pin-Tai Distribution Enterprise Co., Ltd.	Note 2(3)	Trades receivables - related party	533,755	Payment within 60 days from the end of the month	1.34%

Note 1: The information of significant transactions and amounts between the Company and subsidiaries are coded as follows:

(1) The Company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories :

(1) Parent to subsidiary;

(2) Subsidiary to parent;

(3) Subsidiary to subsidiary

Note 3: With respect to the percentage of transaction amount over total income or total asset, for balance sheet items, they are based on each item's balance over total asset at period-end.

For profit or loss items, end of period cumulative amount over total income are used as basis.

Note 4: Whether the significant transactions are to be disclosed in this table may be determined by the company based on the principle of materiality.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 7: Names, locations and related information of investee companies (excluding investment in Mainland China)

Unit: in Thousands of New Taiwan Dollars

Investor	Investee company	Location	Main businesses and products	Initial Investment		Investment as at June 30, 2025			Net income (loss) of investee company	Investment income (loss) recognized (Note 3)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Carrying amount			
The Company	Everwin Investment Co, Ltd.	Taiwan	Investment	\$1,213,791	\$1,213,791	244,024,850	100.00%	\$2,708,479	\$23,835	\$23,835	Note 4
"	Long Bao Co., Ltd.	Taiwan	Funeral Service	604,250	604,250	60,000,000	100.00%	650,114	32,994	32,994	Note 4
"	Reiju Construction Co., Ltd.	Taiwan	Architecture and civil engineering	1,105,992	1,105,992	96,105,798	90.10%	1,244,281	202,776	182,777	Note 4
"	Longfu Real Estate Development Co., Ltd.	Taiwan	Funeral Service	700,000	700,000	70,000,000	100.00%	699,553	2,453	2,453	Note 4
"	Longde International Development Co., Ltd.	Taiwan	Investment	1,000	1,000	100,000	100.00%	889	(9)	(9)	Note 4
"	Sky Honor International Co., Ltd.	Taiwan	Funeral Service	13,500	13,500	315,000	45.00%	1,036	(3,265)	1,036	Note 4 and Note 5
"	Taisun Enterprise Co., Ltd.	Taiwan	Processing and retailing of food, beverages	4,856,409	4,856,409	191,721,000	38.34%	6,191,115	321,592	123,403	Note 4
Everwin Investment Co, Ltd.	Longhui Development Co., Ltd.	Taiwan	Investment	560,000	560,000	56,000,000	100.00%	613,436	4,809	Disclosure exemption	Note 4
"	Tonghwa International Golf Recreation Co., Ltd.	Taiwan	Exercise facility amenity	30,000	30,000	3,000,000	100.00%	18,636	(14,149)	"	Note 4
"	Taisun Enterprise Co., Ltd.	Taiwan	Processing and retailing of food, beverages	1,618,668	1,618,668	58,279,000	11.66%	1,881,982	321,592	"	Note 4
Tonghwa International Golf Recreation Co., Ltd.	Taisun Enterprise Co. Ltd.	Taiwan	Processing and retailing of food, beverages	49,724	-	2,465,000	0.49%	61,588	321,592		Note 4
Long Bao Co., Ltd.	Sky Honor International Co., Ltd.	Taiwan	Funeral Service	-	-	385,000	55.00%	1,267	(3,265)	"	Note 4 and Note 5
Long Fu Real Estate Development Co., Ltd.	Sanzhi Chih An Garden Co., Ltd.	Taiwan	Funeral Service	19	19	3,000,000	100.00%	4,633	2,758	"	Note 5 and Note 6
Long Hui Development Co., Ltd.	North Bay Recreation Co., Ltd.	Taiwan	Exercise facility and amenity	514,510	514,510	8,947,124	99.41%	603,339	2,464	"	Note 4
Rei Ju Construction Co, Ltd.	Reicheng Construction Co., Ltd.	Taiwan	Architecture and civil engineering	40,500	40,500	5,950,000	100.00%	82,071	6,739	"	Note 4
"	Ryan Development Corp.	Taiwan	Property investment and development	70,000	70,000	7,000,000	100.00%	78,742	343	"	Note 4
"	Rei Ying Construction Co, Ltd.	Taiwan	Property investment and development	3,900	3,900	390,000	39.00%	129	(553)	"	Associate
Taisun Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	74,876	284,067	7,170,523	73.92%	34,109	9,114	"	Note 4
"	Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan	Wholesale and retail of edible oils and fats.	346,126	346,126	21,255,839	99.93%	310,347	65,063	"	Note 4
"	Taisun (Cayman) Investment Ltd.	Cayman	Investment	1,498,670	1,498,670	33,790,000	100.00%	458,382	34,789	"	Note 4
"	Taisun Yuan Co., Ltd.	Taiwan	Investment management	5,000	5,000	500,000	100.00%	12,846	1,509	"	Note 4
"	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26%	8,465	6,030	"	Note 4
"	Central Union Oil Corp.	Taiwan	Manufacturing, processing, and selling of bean products	204,125	204,125	20,000,000	33.33%	314,498	102,792	"	Associate
Pin-Tai Distribution Enterprise Co., Ltd.	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21%	98,064	6,030	"	Note 4
"	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	22,954	87,084	2,347,086	24.20%	29,299	9,114	"	Note 4

Note 1: For public company that has foreign holding subsidiaries and are required to primarily prepare consolidated financial statements in accordance with local regulations, disclosure of information related to foreign investee companies may be limited to relevant details pertaining to those subsidiaries.

Note 2: For circumstances not listed in Note 1, fill in information according to the following rules:

- (1) Investee company", "Address", "Main businesses and products", "Initial Investment" and "Investment at end of period" shall be filled in the Company's reinvestment and the subsidiaries' re-investment in corresponding order, and indicate the relationship in the Notes.
- (2) Net income (loss) of investee company" shall fill in net income (loss) of investee for the period ended June 30, 2025.
- (3) Investment income (loss) recognized" shall fill in only profit (loss) of each subsidiary directly invested by the Company and each investee company under the equity method, other amounts are not necessary. The investor shall confirm that its investment income (loss) includes the subsidiaries' re-investment.

Note 3: This includes the unrealized profit from downstream and upstream sales.

Note 4: The aforementioned transactions have been eliminated when compiling the consolidated financial statements.

Note 5: As at March 17, 2025, recognized as a consolidated entity.

Note 6: Sanzhi Chih An Garden Co., Ltd. is a limited company, so the share column represents the amount of capital contribution.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF LONG BON INTERNATIONAL CO., LTD. AND SUBSIDIARIES (CONTINUED)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 8: Investment in Mainland China

Unit: in Thousands of New Taiwan Dollars

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as at January 1, 2025	Investment Flows (Note 7)		Accumulated Outflow of Investment from Taiwan as at June 30, 2025	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as at June 30, 2025	Accumulated Inward Remittance of Earnings as at June 30, 2025
					Outflow	Inflow						
Xiamen Reiju Construction Engineer Co.	Construction consultancy	\$38,090 (USD1,300)	(1)	\$33,988 (USD1,160)	\$-	\$-	\$33,988 (USD1,160)	\$(47)	89.23%	\$-	\$5,427	\$-
Taisun Enterprise (Zhangzhou) Foods Ltd.	Engaged in the production and sale of food, beverages, snacks, canned goods, etc.	805,750 (USD 27,500)	(2) (Note 4)	978,620 (USD 33,400)	-	-	978,620 (USD 33,400)	34,123	100.00%	34,123	394,831	-
Cheng Da Restaurant Investment Management (Sichuan) Ltd.	Sale of freshly baked bread, etc.	37,211 (USD 1,270)	(2) (Note 5)	18,166 (USD 620)	-	645 (USD 22)	17,521 (USD 598)	-	3.66%	-	-	-

Investee company	Accumulated Investment in China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
Reiju Construction Co., Ltd.	\$33,988	\$33,988	\$1,160,114
Taisun Enterprise Co., Ltd.	NTD 996,141 (USD 33,998)	\$1,402,005 (USD 47,850)	7,540,981

Note 1: Investment in China are categorized into the following three methods of investment:

- (1) Direct investment in a China company.
- (2) Investment in China companies by remittance through a third region.
- (3) Other methods of investing in China.

Note 2: Financial statements reviewed by the CPA of the parent company in Taiwan.

Note 3: The figures in this table shall be presented in New Taiwan Dollars. For transactions involving foreign currencies, except for the investee company's current period profit (loss) and the investment profit (loss) recognized in the current period, which are converted using the average exchange rate during the financial reporting period, the conversion to New Taiwan Dollars shall be converted using the exchange rate as of the balance sheet date of the financial statements.

Note 4: Reinvestment in a China company through a reinvestment Taisun (Cayman) Investment Ltd.

Note 5: Indirect investment in China company through a downstream investment in Bon Matin Paris Food Group Limited, holding a 3.66% stake. As there is no significant influence, investment income has not been recognized.

Note 6: According to the Department of Investment Review, MOEA, the investment limit in China is 60% of the net worth of the company or the merged company, whichever is higher.

Note 7: Taisun Enterprise Co. Ltd. has disposed of Bon Matin Paris Food Group Limited in March 2025, thus recovering the related investment amount in this period.