

**TAIWAN PELICAN EXPRESS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2025 AND 2024

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Taiwan Pelican Express Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Pelican Express Co., Ltd. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Accuracy in recognition of service revenue**Description**

Refer to Note 4(24) for accounting policies applied on operating revenue, Note 6(15) for details of operating revenue.

For the year ended December 31, 2025, the Group's consolidated operating revenue was NT\$3,809,181 thousand. The Group's revenue mainly arose from home delivery revenue, logistic revenue and sales revenue. Additionally, home delivery revenue and logistic revenue are classified as service revenue and represents approximately 92% of the Group's operating income. Revenue is recognized based on the scope of services performed. Due to the level of service performance and related calculations involve a certain degree of judgment and estimation, it has a significant impact on the consolidated financial statements. Thus, considered the service revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and tested the effectiveness of internal control of the Group's service revenue.

2. Performed substantive test on samples of service revenue to obtain transaction documents to confirm that the service has been provided, checked the invoice to verify that the content of service has been properly recorded and confirmed that the transaction has been recognized in the current period.
3. Obtained and assessed the calculation method used by management to evaluate the level of service performance at the end of the period and evaluated whether the method is appropriate.
4. Obtained information from actual customers after the period to confirm that the company has completed the performance of labor services to verify the reasonableness of management's assessment of the performance of labor services at the end of the period.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Taiwan Pelican Express Co., Ltd. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Ming-Chuan

Tu, Chan-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2026

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

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

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2025		December 31, 2024			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	696,968	17	\$	718,642	17
1136	Current financial assets at amortised cost	6(3)		-	-		614	-
1150	Notes receivable, net	6(4)		15,561	-		16,783	-
1160	Notes receivable - related parties	7		172	-		404	-
1170	Accounts receivable, net	6(4)		466,547	12		474,280	11
1180	Accounts receivable - related parties	7		96,535	3		165,371	4
1200	Other receivables			5,672	-		3,728	-
1210	Other receivables - related parties	7		100	-		744	-
1220	Current income tax assets	6(22)		9,352	-		2,388	-
130X	Inventories	6(5)		10,503	-		12,941	-
1410	Prepayments			20,105	1		23,857	1
1470	Other current assets			510	-		222	-
11XX	Current Assets			1,322,025	33		1,419,974	33
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		714,680	18		644,867	15
1600	Property, plant and equipment	6(6)		580,313	14		652,588	15
1755	Right-of-use assets	6(7) and 7		1,264,612	31		1,412,287	33
1780	Intangible assets	6(8) and 7		4,053	-		9,300	-
1840	Deferred income tax assets	6(22)		57,384	1		31,594	1
1900	Other non-current assets	8		101,623	3		99,972	3
15XX	Non-current assets			2,722,665	67		2,850,608	67
1XXX	Total assets		\$	4,044,690	100	\$	4,270,582	100

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TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2150	Notes payable		\$	1,363	-	\$	452	-
2160	Notes payable - related parties	7		765	-		816	-
2170	Accounts payable			297,805	7		341,271	8
2180	Accounts payable - related parties	7		6,835	-		7,198	
2200	Other payables	6(9)		273,102	7		308,913	7
2220	Other payables - related parties	7		2,245	-		3,985	-
2230	Current income tax liabilities	6(22)		-	-		-	-
2250	Current provisions			928	-		5,294	-
2280	Current lease liabilities	7		269,363	7		238,427	6
2300	Other current liabilities			23,816	1		21,264	1
21XX	Current Liabilities			876,222	22		927,620	22
Non-current liabilities								
2550	Provisions - non-current			2,628	-		2,590	-
2580	Non-current lease liabilities	7		1,077,075	26		1,254,165	29
2600	Other non-current liabilities	6(10)		36,483	1		36,251	1
25XX	Non-current liabilities			1,116,186	27		1,293,006	30
2XXX	Total Liabilities			1,992,408	49		2,220,626	52
Equity attributable to owners of parent								
	Share capital	6(11)						
3110	Share capital - common stock			954,670	24		954,670	22
	Capital surplus	6(12)						
3200	Capital surplus			300,082	7		300,082	7
	Retained earnings	6(13)						
3310	Legal reserve			183,968	5		183,968	4
3350	Unappropriated retained earnings			154,327	4		240,397	6
	Other equity interest	6(14)						
3400	Other equity interest			459,235	11		370,839	9
31XX	Equity attributable to owners of the parent			2,052,282	51		2,049,956	48
3XXX	Total equity			2,052,282	51		2,049,956	48
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$	4,044,690	100	\$	4,270,582	100

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

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except losses per share amounts)

			Year ended December 31			
	Items	Notes	2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Revenue	6(15) and 7	\$ 3,809,181	100	\$ 4,051,174	100
5000	Operating costs	6(5)(20)(21) and 7	(3,546,157)	(93)	(3,667,938)	(91)
5900	Net operating margin		263,024	7	383,236	9
	Operating expenses	6(20)(21) and 7				
6100	Selling expenses		(15,510)	(1)	(14,758)	-
6200	General and administrative expenses		(396,362)	(10)	(406,841)	(10)
6450	Expected credit impairment losses		(1,580)	-	(1,612)	-
6000	Total operating expenses		(413,452)	(11)	(423,211)	(10)
6900	Operating loss		(150,428)	(4)	(39,975)	(1)
	Non-operating income and expenses					
7100	Interest income	6(16)	8,026	-	9,733	-
7010	Other income	6(17) and 7	34,767	1	35,182	1
7020	Other gains and losses	6(18)	(2,846)	-	(3,598)	-
7050	Finance costs	6(19) and 7	(20,588)	(1)	(19,521)	-
7000	Total non-operating income and expenses		19,359	-	21,796	1
7900	Loss before income tax		(131,069)	(4)	(18,179)	-
7950	Income tax benefit	6(22)	31,586	1	8,874	-
8200	Loss for the year		<u>(\$ 99,483)</u>	<u>(3)</u>	<u>(\$ 9,305)</u>	<u>-</u>
	Other comprehensive (loss) income					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans		(\$ 600)	-	(\$ 3,279)	-
8316	Unrealised gains (losses) from investment in equity instruments measured at fair value through other comprehensive income	6(2)(14)	150,455	4	(86,920)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		120	-	656	-
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(14)	(540)	-	113	-
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(14)(22)	108	-	(23)	-
8300	Total other comprehensive income (loss) for the year		<u>\$ 149,543</u>	<u>4</u>	<u>(\$ 89,453)</u>	<u>(2)</u>
8500	Total comprehensive income (loss) for the year		<u>\$ 50,060</u>	<u>1</u>	<u>(\$ 98,758)</u>	<u>(2)</u>
	Loss attributable to:					
8610	Owners of the parent		<u>(\$ 99,483)</u>	<u>(3)</u>	<u>(\$ 9,305)</u>	<u>-</u>
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		<u>\$ 50,060</u>	<u>1</u>	<u>(\$ 98,758)</u>	<u>(2)</u>
	Basic losses per share	6(22)				
9750	Total basic losses per share		<u>(\$ 1.04)</u>		<u>(\$ 0.10)</u>	
	Diluted losses per share	6(22)				
9850	Total diluted losses per share		<u>(\$ 1.04)</u>		<u>(\$ 0.10)</u>	

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

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital surplus			Retained earnings		Other equity interest		
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
	Notes	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Legal reserve	Unappropriated retained earnings			Total equity
<u>Year ended December 31, 2024</u>									
		\$ 954,670	\$ 300,031	\$ 51	\$ 174,674	\$ 337,993	(\$ 41)	\$ 457,710	\$ 2,225,088
		-	-	-	-	(9,305)	-	-	(9,305)
Other comprehensive income (loss) for the year	6(2)(14)(22)	-	-	-	-	(2,623)	90	(86,920)	(89,453)
Total comprehensive income (loss)		-	-	-	-	(11,928)	90	(86,920)	(98,758)
Distribution of 2023 retained earnings	6(13)								
Legal reserve		-	-	-	9,294	(9,294)	-	-	-
Cash dividends		-	-	-	-	(76,374)	-	-	(76,374)
Balance at December 31, 2024		\$ 954,670	\$ 300,031	\$ 51	\$ 183,968	\$ 240,397	\$ 49	\$ 370,790	\$ 2,049,956
<u>Year ended December 31, 2025</u>									
		\$ 954,670	\$ 300,031	\$ 51	\$ 183,968	\$ 240,397	\$ 49	\$ 370,790	\$ 2,049,956
		-	-	-	-	(99,483)	-	-	(99,483)
Other comprehensive income (loss) for the year	6(2)(14)(22)	-	-	-	-	(480)	(432)	150,455	149,543
Total comprehensive income (loss)		-	-	-	-	(99,963)	(432)	150,455	50,060
Distribution of 2024 retained earnings	6(13)								
Cash dividends		-	-	-	-	(47,734)	-	-	(47,734)
Disposal of investments in equity instruments at fair value through other comprehensive	6(2)	-	-	-	-	61,627	-	(61,627)	-
Balance at December 31, 2025		\$ 954,670	\$ 300,031	\$ 51	\$ 183,968	\$ 154,327	(\$ 383)	\$ 459,618	\$ 2,052,282

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

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 131,069)	(\$ 18,179)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	1,580	1,612
Depreciation expense	6(6)(7)(20)	382,678	326,726
Amortization expense	6(8)(20)	6,460	6,007
Gain on disposal of property, plant and equipment	6(18)	(10)	(330)
Interest expense	6(19)	20,588	19,521
Interest income	6(16)	(8,026)	(9,733)
Dividends income	6(17)	(26,140)	(27,211)
Other gains and losses	6(7)	(177)	1,703
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		1,211	5,825
Notes receivable-related parties		232	19
Accounts receivable		6,164	69,680
Accounts receivable-related parties		68,836	(12,359)
Other receivables	(	1,944)	6,554
Other receivables-related parties		644	(615)
Inventories		2,438	(1,701)
Prepayments		3,752	(9,161)
Other current assets	(	288)	(185)
Changes in operating liabilities			
Notes payable		911	95
Notes payable-related parties	(	51)	(151)
Accounts payable	(	43,466)	(22,937)
Accounts payable - related parties	(	363)	(1,967)
Other payables	(	22,743)	(131,000)
Other payables-related parties	(	1,740)	1,719
Other current liabilities		2,552	590
Provisoins - non-current	(	4,366)	-
Other non-current liabilities	(	368)	-
Cash inflow generated from operations		257,295	204,522
Interest received		8,026	9,733
Dividends received	6(17)	26,140	27,211
Income taxes paid	(	942)	(2,613)
Interest paid	(	81)	(76)
Net cash flows from operating activities		290,438	238,777

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TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of investments in equity at fair value through other comprehensive		\$ 80,642	\$ -
Decrease (increase) in current financial assets at amortised cost		614	(614)
Acquisition of right-of-use assets		(704)	(1,142)
Acquisition of property, plant and equipment	6(24)	(59,998)	(131,963)
Acquisition of intangible assets	6(8)	(1,213)	(5,142)
Proceeds from disposal of property, plant and equipment	6(6)	586	885
Increase in refundable deposits		(1,651)	(15,205)
Net cash flows from (used in) investing activities		18,276	(153,181)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash dividends paid	6(13)	(47,734)	(76,374)
Payments of lease liabilities	6(25)	(282,114)	(218,193)
Net cash flows used in financing activities		(329,848)	(294,567)
Effect of exchange rate changes on cash and cash equivalents		(540)	113
Net decrease in cash and cash equivalents		(21,674)	(208,858)
Cash and cash equivalents at beginning of year		718,642	927,500
Cash and cash equivalents at end of year		\$ 696,968	\$ 718,642

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

TAIWAN PELICAN EXPRESS CO., LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. History and Organisation

Taiwan Pelican Express Co., Ltd. (the “Company”) was incorporated under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in route-permitted truck transportation, home delivery and other professional logistic delivery services. TECO ELECTRIC & MACHINERY CO., LTD. directly and indirectly holds 33.38% equity interest in the Company. TECO ELECTRIC & MACHINERY CO., LTD. is the Group’s ultimate parent company. Starting from December 12, 2013, the Company’s stock was listed on Taiwan Stock Exchange.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorized for issuance by to the Board of Directors on February 26, 2026.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

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

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

These amendments require an entity to:

- A. Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- B. Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- C. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- (a) the practical ability to withdraw, stop or cancel the payment instruction;
- (b) the practical ability to access the cash used for settlement; and
- (c) significant settlement risk.

D. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

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

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

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

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

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income 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.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Taiwan Pelican Express Co., Ltd.	Pelican Express (Vietnam) Co., LTD	Warehouse storage service	100	100	None

- C. Subsidiaries not included in the consolidated financial statements: None.
D. Adjustments for subsidiaries with different balance sheet dates: None.
E. Significant restrictions: None.
F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

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

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

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

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

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

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

(8) Financial assets at amortised cost

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

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

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

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.

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

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

(9) Accounts and notes receivable

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

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

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

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	17 years
Transportation equipment	3 to 11 years
Office equipment	2 to 8 years
Machinery and equipment	15 years
Other equipment	2 to 10 years
Leasehold improvements	2 to 16 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
 - (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee.

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

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(16) Impairment of non-financial assets

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

(17) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(20) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

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

(21) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Share capital

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

(23) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(24) Revenue recognition

A. Service revenue

The Group provides home delivery and logistics services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

B. Sales revenue

- (a) The Group sells a range of internet and catalog shopping, pre-order in convenient store and collective buying, services in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(25) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

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

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 1,867	\$ 1,837
Checking accounts and demand deposits	284,760	271,343
Time deposits	333,000	370,800
Collection of sales on behalf of others	77,341	74,662
Total	<u>\$ 696,968</u>	<u>\$ 718,642</u>

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

- B. The Group has identified certain time deposits amounting to \$31,656 and \$31,614 as at December 31, 2025 and 2024, that were classified as non-current assets – time deposits due to the restriction for the Company's collateral for performance guarantee. Information relating to pledged assets is provided in Note 8.
- C. Collection of sales on behalf of others through the Group's home delivery service are deposited in bank accounts. The Group has established appropriate internal controls to ensure that the collection is delivered to the suppliers within the agreed-upon timeframe according to the contracts with the suppliers. Since the withdrawal of these deposits is not subject to any regulatory or bank restrictions, the Group can withdraw the collections at any time without incurring any penalties or other sanctions. Therefore, the deposits in these bank accounts meet the definition of cash under International Accounting Standard 7 (IAS 7) "Statement of Cash Flows".

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 230,316	\$ 249,331
Unlisted stocks	24,746	24,746
Subtotal	255,062	274,077
Valuation adjustment	459,618	370,790
Total	<u>\$ 714,680</u>	<u>\$ 644,867</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$714,680 and \$644,867 as at December 31, 2025 and 2024, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 150,455</u>	<u>(\$ 86,920)</u>
Cumulative gains reclassified to retained earnings due to derecognition	<u>\$ 61,627</u>	<u>\$ -</u>
Dividend income recognised in profit or loss Held at the end of period	<u>\$ 26,140</u>	<u>\$ 27,211</u>

- C. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits	\$ -	\$ 614

A. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$0 and \$614, respectively.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 15,577	\$ 16,788
Less: Allowance for bad debt	(16)	(5)
	<u>\$ 15,561</u>	<u>\$ 16,783</u>
Accounts receivable	\$ 477,276	\$ 483,443
Less: Allowance for bad debt	(10,729)	(9,163)
	<u>\$ 466,547</u>	<u>\$ 474,280</u>

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

	December 31, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 15,561	\$ 427,850	\$ 16,756	\$ 450,546
Past due				
Up to 30 days	-	20,098	27	16,562
31 to 90 days	-	18,599	-	7,077
Over 91 days	-	-	-	95
Subtotal	-	38,697	27	23,734
Total	<u>\$ 15,561</u>	<u>\$ 466,547</u>	<u>\$ 16,783</u>	<u>\$ 474,280</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$568,180.

C. The Group has no notes and accounts receivable pledged to others.

D. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$15,561 and \$16,783; \$466,547 and \$474,280 respectively.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(5) Inventories

December 31, 2025			
	Cost	Allowance for valuation loss	Carrying amount
Merchandise inventory	\$ 11,285	(\$ 782)	\$ 10,503
December 31, 2024			
	Cost	Allowance for valuation loss	Carrying amount
Merchandise inventory	\$ 13,723	(\$ 782)	\$ 12,941

The cost of inventories recognised as expense for the year:

Year ended December 31		
	2025	2024
Cost of goods sold	\$ 260,514	\$ 238,446

(6) Property, plant and equipment

	Buildings and structures	Transportation equipment	Office equipment	Machinery and equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2025								
Cost	\$ 81,661	\$ 1,151,334	\$ 239,738	\$ 135,341	\$ 92,986	\$ 144,786	\$ 3,072	\$ 1,848,918
Accumulated depreciation and impairment	(1,764)	(720,193)	(213,709)	(60,083)	(74,835)	(125,746)	-	(1,196,330)
	<u>\$ 79,897</u>	<u>\$ 431,141</u>	<u>\$ 26,029</u>	<u>\$ 75,258</u>	<u>\$ 18,151</u>	<u>\$ 19,040</u>	<u>\$ 3,072</u>	<u>\$ 652,588</u>
2025								
At January 1	\$ 79,897	\$ 431,141	\$ 26,029	\$ 75,258	\$ 18,151	\$ 19,040	\$ 3,072	\$ 652,588
Additions	-	5,031	11,954	-	7,559	8,665	13,721	46,930
Disposal - cost	-	(34,368)	(3,853)	-	(4,600)	-	-	(42,821)
Disposal - Accumulated depreciation and impairment	-	33,806	3,853	-	4,586	-	-	42,245
Depreciation charge	(4,654)	(77,846)	(12,867)	(9,103)	(8,082)	(6,077)	-	(118,629)
Reclassifications	-	16,245	162	-	-	-	(16,407)	-
At December 31	<u>\$ 75,243</u>	<u>\$ 374,009</u>	<u>\$ 25,278</u>	<u>\$ 66,155</u>	<u>\$ 17,614</u>	<u>\$ 21,628</u>	<u>\$ 386</u>	<u>\$ 580,313</u>
At December 31, 2025								
Cost	\$ 81,661	\$ 1,138,242	\$ 248,001	\$ 135,341	\$ 95,945	\$ 153,451	\$ 386	\$ 1,853,027
Accumulated depreciation and impairment	(6,418)	(764,233)	(222,723)	(69,186)	(78,331)	(131,823)	-	(1,272,714)
	<u>\$ 75,243</u>	<u>\$ 374,009</u>	<u>\$ 25,278</u>	<u>\$ 66,155</u>	<u>\$ 17,614</u>	<u>\$ 21,628</u>	<u>\$ 386</u>	<u>\$ 580,313</u>

	Buildings and structures	Transportation equipment	Office equipment	Machinery and equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2024								
Cost	\$ -	\$ 1,139,345	\$ 222,739	\$ 134,251	\$ 84,795	\$ 137,750	\$ 33,240	\$ 1,752,120
Accumulated depreciation and impairment	-	(689,716)	(207,568)	(51,044)	(71,558)	(120,252)	-	(1,140,138)
	<u>\$ -</u>	<u>\$ 449,629</u>	<u>\$ 15,171</u>	<u>\$ 83,207</u>	<u>\$ 13,237</u>	<u>\$ 17,498</u>	<u>\$ 33,240</u>	<u>\$ 611,982</u>
2024								
At January 1	\$ -	\$ 449,629	\$ 15,171	\$ 83,207	\$ 13,237	\$ 17,498	\$ 33,240	\$ 611,982
Additions	2,574	21,102	17,655	1,090	12,082	5,655	93,282	153,440
Disposal - cost	-	(49,571)	(3,180)	-	(3,891)	-	-	(56,642)
Disposal - Accumulated depreciation and impairment	-	49,031	3,180	-	3,876	-	-	56,087
Depreciation charge	(1,764)	(79,508)	(9,321)	(9,039)	(7,153)	(5,494)	-	(112,279)
Reclassifications	79,087	40,458	2,524	-	-	1,381	(123,450)	-
At December 31	<u>\$ 79,897</u>	<u>\$ 431,141</u>	<u>\$ 26,029</u>	<u>\$ 75,258</u>	<u>\$ 18,151</u>	<u>\$ 19,040</u>	<u>\$ 3,072</u>	<u>\$ 652,588</u>
At December 31, 2024								
Cost	\$ 81,661	\$ 1,151,334	\$ 239,738	\$ 135,341	\$ 92,986	\$ 144,786	\$ 3,072	\$ 1,848,918
Accumulated depreciation and impairment	(1,764)	(720,193)	(213,709)	(60,083)	(74,835)	(125,746)	-	(1,196,330)
	<u>\$ 79,897</u>	<u>\$ 431,141</u>	<u>\$ 26,029</u>	<u>\$ 75,258</u>	<u>\$ 18,151</u>	<u>\$ 19,040</u>	<u>\$ 3,072</u>	<u>\$ 652,588</u>

The aforementioned assets were for self-use.

(7) Lease transactions — lessee

- A. The Group leases buildings. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes, lease, transfer or provided to others.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 111,319	\$ 120,931
Buildings	1,153,293	1,291,356
	<u>\$ 1,264,612</u>	<u>\$ 1,412,287</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,612	\$ 9,550
Buildings	254,437	204,897
	<u>\$ 264,049</u>	<u>\$ 214,447</u>

- C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$121,021 and \$429,567, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 20,468	\$ 19,445
Expense on short-term lease contracts	148,367	160,502
Expense on leases of low-value assets	13,070	11,017
Expense on variable lease payments	1,984	1,756
Gain on lease modification	177	61

- E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$442,990 and \$394,979, respectively.
- F. Extension and termination options
- (a) Extension or termination options are included in some of the Group's lease contracts pertaining to buildings. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Intangible assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Computer software		
Cost	\$ 52,212	\$ 50,999
Accumulated amortisation	(48,159)	(41,699)
	<u>\$ 4,053</u>	<u>\$ 9,300</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
At January 1	\$ 9,300	\$ 10,165
Additions — acquired separately	1,213	5,142
Amortisation charge	(6,460)	(6,007)
At December 31	<u>\$ 4,053</u>	<u>\$ 9,300</u>

Details of amortisation on intangible assets are as follows:

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Operating costs	\$ 5,760	\$ 5,394
Administrative expenses	700	613
	<u>\$ 6,460</u>	<u>\$ 6,007</u>

(9) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wages and salaries payable	\$ 119,452	\$ 147,202
Collection of sales on behalf of others	77,341	74,662
Labour and health insurance fees payable	20,165	23,313
Business tax payable	11,233	10,432
Payable on equipment	10,189	23,257
Others	34,722	30,047
	<u>\$ 273,102</u>	<u>\$ 308,913</u>

Aforementioned collection of sales on behalf of others were proceeds received on behalf of and should be paid to others from home delivery services.

(10) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 50,040	\$ 49,178
Fair value of plan assets	(18,364)	(18,101)
Net defined benefit liability	<u>\$ 31,676</u>	<u>\$ 31,077</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	\$ 49,178	(\$ 18,101)	\$ 31,077
Current service cost	-	-	-
Interest expense (income)	<u>781</u>	<u>(288)</u>	<u>493</u>
	<u>49,959</u>	<u>(18,389)</u>	<u>31,570</u>
Remeasurements:			
Returns on plan assets	-	(1,374)	(1,374)
Change in demographic assumptions	-	-	-
Change in financial assumptions	874	-	874
Experience adjustments	<u>1,100</u>	<u>-</u>	<u>1,100</u>
	<u>1,974</u>	<u>(1,374)</u>	<u>600</u>
Pension fund contribution	<u>-</u>	<u>(494)</u>	<u>(494)</u>
Paid pension	<u>(1,893)</u>	<u>1,893</u>	<u>-</u>
At December 31	<u>\$ 50,040</u>	<u>(\$ 18,364)</u>	<u>\$ 31,676</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 48,258	(\$ 20,460)	\$ 27,798
Current service cost	93	-	93
Interest expense (income)	710	(296)	414
	<u>49,061</u>	<u>(20,756)</u>	<u>28,305</u>
Remeasurements:			
Returns on plan assets	-	(1,812)	(1,812)
Change in demographic assumptions	430	-	430
Change in financial assumptions	(475)	-	(475)
Experience adjustments	5,135	-	5,135
	<u>5,090</u>	<u>(1,812)</u>	<u>3,278</u>
Pension fund contribution	-	(506)	(506)
Paid pension	(4,973)	4,973	-
At December 31	<u>\$ 49,178</u>	<u>(\$ 18,101)</u>	<u>\$ 31,077</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rate	<u>1.40%</u>	<u>1.60%</u>
Future salary increases	<u>0.50%</u>	<u>0.50%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ 1,089)	\$ 1,124	\$ 805	(\$ 783)
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ 1,159)	\$ 1,200	\$ 845	(\$ 819)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period. Additionally, the Company's future salary increases would not have significantly possible changes and affected defined pension obligations.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$494.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 1,422
1 to 2 years	3,238
2 to 5 years	8,584
Over 5 years	16,279
	<u>\$ 29,523</u>

- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were \$63,045 and \$68,888, respectively.

(11) Share capital

As of December 31, 2025, the Company's authorised capital was \$1,000,000, consisting of 100,000 thousand shares of ordinary stock, and the paid-in capital was \$954,670 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(12) Capital surplus

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

(13) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed according to following regulations:

- (a) Payment of taxes.
- (b) Offset accumulated deficit.
- (c) Set aside 10% as legal reserve.
- (d) Special reserve was set aside or reversed in accordance with the authority. The appropriation of the remainder along with the unappropriated earnings in prior years, shall be proposed by the Board of Directors and be resolved by the shareholders' meeting.
- (e) In consideration of possible expansion of operation and investment, the earnings distributed to the shareholders each year will basically be in an amount equal to 50% of the earnings received in the period combined with the retained earnings from the previous year, net of the legal reserve and special earning reserve. Basically 50% but not less than 5% of the earnings distributed to the shareholders shall be distributed in cash.

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

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

D. The appropriation of 2025 earnings as approved by the Board of Directors on February 26, 2026 and the appropriation of 2024 earnings as resolved by the shareholders' meeting on May 19, 2025 are as follows:

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ -		\$ -	
Cash dividends	47,734	\$ 0.5	47,734	\$ 0.5
Total	<u>\$ 47,734</u>		<u>\$ 47,734</u>	

(14) Other equity items

	Year ended December 31, 2025		
	Unrealised gains (losses) on valuation	Foreign currency translation	Total
At January 1	\$ 370,790	\$ 49	\$ 370,839
Revaluation	150,455	-	150,455
Revaluation transferred to retained earnings	(61,627)	-	(61,627)
Currency translation differences:			
–Group	-	(540)	(540)
–Tax on Group	-	108	108
At December 31	<u>\$ 459,618</u>	<u>(\$ 383)</u>	<u>\$ 459,235</u>
	Year ended December 31, 2024		
	Unrealised gains (losses) on valuation	Foreign currency translation	Total
At January 1	\$ 457,710	(\$ 41)	\$ 457,669
Revaluation	(86,920)	-	(86,920)
Currency translation differences:			
–Group	-	113	113
–Tax on Group	-	(23)	(23)
At December 31	<u>\$ 370,790</u>	<u>\$ 49</u>	<u>\$ 370,839</u>

(15) Operating revenue

	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue from contracts with customers	<u>\$ 3,809,181</u>	<u>\$ 4,051,174</u>
Disaggregation of revenue from contracts with customers		

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major categories:

<u>For the year ended December 31, 2025</u>	<u>Services</u>	<u>Sales of goods</u>	<u>Total</u>
Revenue from external customer contracts	\$ 3,518,917	\$ 290,264	\$ 3,809,181
<u>For the year ended December 31, 2024</u>	<u>Services</u>	<u>Sales of goods</u>	<u>Total</u>
Revenue from external customer contracts	\$ 3,782,076	\$ 269,098	\$ 4,051,174

(16) Interest income

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Interest income from bank deposits	\$ 7,131	\$ 9,133
Other interest income	895	600
	<u>\$ 8,026</u>	<u>\$ 9,733</u>

(17) Other income

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Dividend income	\$ 26,140	\$ 27,211
Rental income	13	19
Other income, others	8,614	7,952
	<u>\$ 34,767</u>	<u>\$ 35,182</u>

(18) Other gains and losses

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Gains on disposal of property, plant and equipment	\$ 10	\$ 330
Gains arising from lease modifications	177	-
Net currency exchange gains	12	-
Other losses	(3,045)	(3,928)
	<u>(\$ 2,846)</u>	<u>(\$ 3,598)</u>

(19) Finance costs

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Interest expenses - lease liability	\$ 20,468	\$ 19,445
Interest expenses - others	120	76
	<u>\$ 20,588</u>	<u>\$ 19,521</u>

(20) Expenses by nature

	For the year ended December 31, 2025	For the year ended December 31, 2024
Employee benefit expense	\$ 1,287,277	\$ 1,410,859
Depreciation charges on right-of-use assets	264,049	214,447
Depreciation charges on property, plant and equipment	118,629	112,279
Amortisation charges on intangible assets	6,460	6,007

(21) Employee benefit expense

	For the year ended December 31, 2025	For the year ended December 31, 2024
Wages and salaries	\$ 1,018,501	\$ 1,149,554
Labour and health insurance fees	131,517	140,686
Pension costs	63,538	69,394
Other personnel expense	73,721	51,225
	<u>\$ 1,287,277</u>	<u>\$ 1,410,859</u>

- A. In accordance with the Articles of Incorporation of the Company, the current year's earnings, if any, shall appropriate a ratio of distributable profit of the current year, offer covering accumulated losses, shall be distributed as employees' compensation and director's remuneration. The ratios for employees' compensation and directors' remuneration should be 0.5%~0.15% and 3%, respectively. Of this employee compensation, no less than fifty percent must be distributed to front-line employees. However, if the Company has accumulated deficit, the current year's earnings shall first be reserved to cover the deficit.
- B. For the years ended December 31, 2025 and 2024, there were no accruals of employees' compensation and directors' remuneration.
- C. Employees' compensation and directors' and supervisors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expenses (benefit)

(a) Components of income tax expense (benefit):

	For the year ended December 31, 2025	For the year ended December 31, 2024
Current tax:		
Current tax on profits for the year	\$ 289	\$ 61
Prior year income tax underestimation	(6,313)	(376)
Total current tax	(6,024)	(315)
Deferred tax:		
Origination and reversal of temporary differences	(25,562)	(8,559)
Total deferred tax	(25,562)	(8,559)
Income tax expense (benefit)	(\$ 31,586)	(\$ 8,874)

(b) The income tax relating to components of other comprehensive income is as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Currency translation differences	\$ 108	(\$ 23)
Remeasurement of defined benefit obligations	\$ 120	\$ 656

B. Reconciliation between income tax expense (benefit) and accounting profit

	For the year ended December 31, 2025	For the year ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate	(\$ 25,983)	(\$ 3,587)
Effect from items disallowed by tax regulation	(4,913)	(4,911)
Prior year income tax underestimation	(6,313)	(376)
Change in assessment of realisation of deferred tax assets	5,623	-
Income tax expense (benefit)	(\$ 31,586)	(\$ 8,874)

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

For the year ended December 31, 2025				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Deferred income tax assets:				
-Temporary differences:				
Amount of allowance for uncollectible accounts that exceed the limit for tax purpose	\$ 210	\$ 305	\$ -	\$ 515
Remeasurement of defined benefit obligations	5,331	-	120	5,451
Unrealised expenses	6,384	(2,766)	-	3,618
Share of profit or loss accounted for using equity method	5,400	(6,144)	-	(744)
Currency translation differences	(13)	-	108	95
Loss carryforward	14,282	34,167	-	48,449
Total	<u>\$ 31,594</u>	<u>\$ 25,562</u>	<u>\$ 228</u>	<u>\$ 57,384</u>

For the year ended December 31, 2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Deferred income tax assets:				
-Temporary differences:				
Amount of allowance for uncollectible accounts that exceed the limit for tax purpose	\$ 210	\$ -	\$ -	\$ 210
Remeasurement of defined benefit obligations	4,675	-	656	5,331
Unrealised expenses	12,013	(5,629)	-	6,384
Share of profit or loss accounted for using equity method	5,494	(94)	-	5,400
Currency translation differences	10	-	(23)	(13)
Loss carryforward	-	14,282	-	14,282
Total	<u>\$ 22,402</u>	<u>\$ 8,559</u>	<u>\$ 633</u>	<u>\$ 31,594</u>

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(23) Losses per share

For the year ended December 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 99,483)	95,467	(\$ 1.04)
<u>Diluted losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 99,483)	95,467	(\$ 1.04)

For the year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 9,305)	95,467	(\$ 0.10)
<u>Diluted losses per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 9,305)	95,467	(\$ 0.10)

(24) Supplemental cash flow information

Investing activities with partial cash payments

	For the year ended December 31, 2025	For the year ended December 31, 2024
Purchase of property, plant and equipment	\$ 46,930	\$ 153,440
Add: Opening balance of payable on equipment	23,257	4,370
Less: Ending balance of payable on equipment	(10,189)	(23,257)
Less: Asset retirement obligation estimate	-	(2,590)
Cash paid during the year	\$ 59,998	\$ 131,963

(25) Changes in liabilities from financing activities

	For the year ended December 31, 2025		
	Lease liability	Deposits received	Liabilities from financing activities-gross
Opening net book amount as at January 1	\$ 1,492,592	\$ 5,167	\$ 1,497,759
Additions	120,316	-	120,316
Disposal	(4,824)	-	(4,824)
Interest on lease liabilities	20,468	-	20,468
Changes in cash flows from financing activities	(282,114)	-	(282,114)
Closing net book amount as at December 31	<u>\$ 1,346,438</u>	<u>\$ 5,167</u>	<u>\$ 1,351,605</u>
	For the year ended December 31, 2024		
	Lease liability	Deposits received	Liabilities from financing activities-gross
Opening net book amount as at January 1	\$ 1,266,742	\$ 5,167	\$ 1,271,909
Additions	428,424	-	428,424
Disposal	(3,826)	-	(3,826)
Interest on lease liabilities	19,445	-	19,445
Changes in cash flows from financing activities	(218,193)	-	(218,193)
Closing net book amount as at December 31	<u>\$ 1,492,592</u>	<u>\$ 5,167</u>	<u>\$ 1,497,759</u>

7. Related Party Transactions

(1) Parent and ultimate controlling party

TECO ELECTRIC & MACHINERY CO., LTD. (incorporated in R.O.C.) was the Group's ultimate parent company which directly and indirectly held 33.38% of equity interests in the Group.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
TECO ELECTRIC & MACHINERY CO., LTD. (TECO Electric & Machinery)	Ultimate parent
Itochu Taiwan Corporation (Itochu Taiwan)	Major shareholder
Information Technology Total Services Corp. (Information Technology)	Other related parties
Tong-An Assets Management & Development Co., Ltd. (Tong-An Assets)	Other related parties
E-Joy International Co., Ltd. (E-Joy)	Other related parties
A-Ok Technical Co., Ltd. (A-Ok)	Other related parties
Tesen Electric & Machinery CO., LTD.	Other related parties
TECO Electro Devices Co., Ltd. (TECO Electro) (Note)	Other related parties

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Tecnos International Consultant Co., Ltd. (TECNOS)	Other related parties
Taian-Etacom Technology CO., LTD.	Other related parties
Yatec Engineering Corporation (Yatec)	Other related parties
Jie Zheng Property Service & Management Co., Ltd.(Jie Zheng)	Other related parties
Royal Host Taiwan Co., Ltd. (Royal Host)	Other related parties
Tecom Co., Ltd. (Tecom)	Other related parties
Fujio Food System Taiwan Co., Ltd. (Fujio Food)	Other related parties
Tong Dai Co., Ltd.	Other related parties
Teco (Vietnam) Electric & Machinery Co., Ltd.	Other related parties
An-shin Food Service Co., Ltd. (An-shin)	Other related parties
YUBAN & COMPANY (YUBAN)	Other related parties

Note : TECO ELECTRIC & MACHINERY CO., LTD. was approved by its board of directors on April 10, 2024 for a short-form merger with its subsidiary TECO Electro Devices Co., Ltd.. TECO ELECTRIC & MACHINERY CO., LTD. is the surviving company, and TECO Electro Devices Co., Ltd. is the dissolved company.

(3) Significant related party transactions

A. Sales of goods and services

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Operating revenue:		
Ultimate parent	\$ 323,053	\$ 284,972
Major shareholder	1,677	18
Other related parties		
An-shin	328,950	256,219
Others	<u>79,676</u>	<u>59,108</u>
Total	<u>\$ 733,356</u>	<u>\$ 600,317</u>

Goods and services are sold based on the price lists in force and terms that would be available to third parties.

B. Purchase of services and other expenses

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Service expenses:		
Ultimate parent	\$ 5,520	\$ 5,785
Major shareholder	62	57
Other related parties	19,585	20,429

	For the year ended December 31, 2025	For the year ended December 31, 2024
Rent expense:		
Ultimate parent	6,315	8,959
Other related parties		
Tong-An Assets	32,698	31,996
Other expenses:		
Ultimate parent	4,105	4,971
Major shareholder	15,376	17,515
Other related parties	16,067	17,402
Total	<u>\$ 99,728</u>	<u>\$ 107,114</u>

(a) Service expenses were arisen from labor dispatch and commissioned customer services, etc., and the payment period was based on mutual agreement.

(b) Rent expenses were referred to market, and the payment period was based on mutual agreement.

(c) Other expenses were information technology expenses, repairs and maintenance expense and miscellaneous purchases, etc., and the payment period was based on mutual agreement.

C. Other income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Dividend income:		
Ultimate parent	<u>\$ 15,554</u>	<u>\$ 15,554</u>

D. Receivables from related parties:

	December 31, 2025	December 31, 2024
Notes receivable:		
Other related parties		
Tong Dai	\$ 172	\$ 234
A-Ok	-	170
Subtotal	<u>172</u>	<u>404</u>
Accounts receivable:		
Ultimate parent	\$ 35,629	\$ 98,564
Major shareholder	240	-
Other related parties		
An-shin	49,609	54,787
Others	11,057	12,020
Subtotal	<u>96,535</u>	<u>165,371</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables - other (including payment on behalf of others)		
Ultimate parent	\$ 14	\$ 675
Other related parties	86	69
Subtotal	<u>100</u>	<u>744</u>
Total	<u>\$ 96,807</u>	<u>\$ 166,519</u>

Receivables from related parties arose from home delivery and logistic services. The receivables were due in 60 days after monthly billings. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

E. Payables to related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes payable:		
Other related parties		
Tong-An Assets	\$ 765	\$ 732
A-Ok	-	84
Subtotal	<u>765</u>	<u>816</u>
Accounts payable:		
Ultimate parent	\$ 1,923	\$ 1,800
Major shareholder	3,469	3,763
Other related parties		
Information Technology	959	1,089
Others	484	546
Subtotal	<u>6,835</u>	<u>7,198</u>
Other payables — others:		
Ultimate parent	\$ 454	\$ 906
Major shareholder	-	525
Other related parties		
Information Technology	1,766	2,511
Others	25	43
Subtotal	<u>2,245</u>	<u>3,985</u>
Total	<u>\$ 9,845</u>	<u>\$ 11,999</u>

Payables to related parties mainly arose from property transactions, commissioned customer services, home delivery service, and proceeds from receipts on behalf of others and payables were generated from purchase of goods and services due to home delivery services. The payment period was 30 days after purchasing goods and services and monthly billings, and that payables bear no interest.

F. Unearned revenue:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unearned revenue		
Ultimate parent	<u>\$ -</u>	<u>\$ 34</u>

G. Lease transactions — lessee

(a) The Group lease office and service points from related parties, and the lease period was 2 years, 12 months as one period for the rent. The Group issued 12 checks for 12 months at the first date of every period, and checks would be paid when on the due date every months.

(b) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties		
Tong-An Assets	<u>\$ 50,240</u>	<u>\$ 7,512</u>

(c) Lease liability

i. Outstanding balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties		
Tong-An Assets	<u>\$ 50,399</u>	<u>\$ 7,539</u>

ii. Interest expense

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Other related parties		
Tong-An Assets	<u>\$ 322</u>	<u>\$ 93</u>

H. Property transactions

(a) Acquisition of property, plant and equipment

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Ultimate parent	<u>\$ -</u>	<u>\$ 5,040</u>
Other related parties		
A-Ok	-	667
Information Technology	-	880
Total	<u>\$ -</u>	<u>\$ 6,587</u>

(b) Acquisition of intangible assets

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Other related parties		
Information Technology	<u>\$ -</u>	<u>\$ 993</u>

(c) Acquisition of right-of-use assets:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Other related parties		
Tong-An Assets	\$ 53,920	\$ 9,014

(4) Key management compensation

	For the year ended December 31, 2025	For the year ended December 31, 2024
Short-term employee benefits	\$ 7,517	\$ 7,542
Post-employment benefits	-	12
Total	\$ 7,517	\$ 7,554

8. Pledged Assets

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Other non-current assets - time deposits	\$ 31,656	\$ 31,614	Note
Other non-current assets - guarantee deposits paid	1,608	1,553	"
Total	\$ 33,264	\$ 33,167	

Note: It was the Group's collateral for performance guarantee.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

- A. The Group has received legal opinion from law firm regarding labor mediation for wage claims. As of December 31, 2025, the matter is still in court mediation, and the Group has accounted for the assessed losses based on the mediation proposal.
- B. Regarding the amount of compensation for the Company's civil litigation, the Company has included in its accounts the most likely amount based on the court's judgment and the assessment of its internal legal experts.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 1,286	\$ 1,900
Intangible assets	144	750
Total	\$ 1,430	\$ 2,650

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives were based on the Group's environment, growth stage, capital requirement of significant investment plan in the future and long-term financial plan when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income investments designated as equity instrument	\$ 714,680	\$ 644,867
Financial assets at amortised cost		
Cash and cash equivalents	\$ 696,968	\$ 718,642
Financial assets at amortised cost	-	614
Notes receivable (including related parties)	15,733	17,187
Accounts receivable (including related parties)	563,082	639,651
Other receivables (including related parties)	5,772	4,472
Other non-current assets - guarantee deposits paid	69,967	68,358
Other non-current assets - time deposits	31,656	31,614
	<u>\$ 1,383,178</u>	<u>\$ 1,480,538</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable (including related parties)	\$ 2,128	\$ 1,268
Accounts payable (including related parties)	304,640	348,469
Other payables (including related parties)	275,347	312,898
Guarantee deposits received	5,167	5,167
	<u>\$ 587,282</u>	<u>\$ 667,802</u>
Lease liability	<u>\$ 1,346,438</u>	<u>\$ 1,492,592</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; subsidiaries' functional currency: VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:VND	\$ 93	26,192	\$ 2,935
<u>Non-monetary items</u>			
Investments accounted for under the equity method VND:NTD	7,712,182	0.00118	9,062
(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:VND	\$ 97	25,219	\$ 3,180
<u>Non-monetary items</u>			
Investments accounted for under the equity method VND:NTD	5,956,930	0.00126	7,536

iii. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$12 and \$0, respectively.

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

(Foreign currency: functional currency)	For the year ended December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:VND	1%	\$ 29	\$ -
(Foreign currency: functional currency)	For the year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:VND	1%	\$ 32	\$ -

Price risk

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

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, loss or profit for the years ended December 31, 2025 and 2024 would have increased/decreased \$35,734 and \$32,243, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

None.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only institutions with good goodwill and without significant default records in latest period are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 60 days.
- iv. The Group classifies customers' accounts receivable and rents receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss.
- v. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the provision matrix, loss rate methodology is as follows:

		Past due			Total
		Not past due	Up to 30 days	31 to 90 days	Over 91 days
December 31, 2025					
Expected loss rate	0.1%~1%	1%~2%	1%~5%	1%~100%	
Total book value	\$ 428,282	\$ 20,335	\$ 19,162	\$ 9,497	\$ 477,276
Loss allowance	(432)	(237)	(563)	(9,497)	(10,729)

		Past due			Total
		Not past due	Up to 30 days	31 to 90 days	Over 91 days
December 31, 2024					
Expected loss rate	0.14%~1%	1%~2%	1%~5%	1%~100%	
Total book value	\$ 451,185	\$ 16,762	\$ 7,427	\$ 8,069	\$ 483,443
Loss allowance	(639)	(200)	(350)	(7,974)	(9,163)

- vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and notes receivable are as follows:

	For the year ended December 31, 2025	
	Accounts receivable	Notes receivable
Opening net book amount as at January 1	\$ 9,163	\$ 5
Loss of impairment	1,569	11
Collection of write-offs of prior years	(3)	-
Closing net book amount as at December 31	\$ 10,729	\$ 16

	For the year ended December 31, 2024	
	Accounts receivable	Notes receivable
Opening net book amount as at January 1	\$ 7,534	\$ 28
Loss of impairment (reversal)	1,635	(23)
Collection of write-offs of prior years	(6)	-
Closing net book amount as at December 31	<u>\$ 9,163</u>	<u>\$ 5</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2025 and 2024, the Group held money market position of \$696,968 and \$718,642, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2025	Between 3					Total
	Less than 3 months	months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Notes payable (including related parties)	\$ 2,128	\$ -	\$ -	\$ -	\$ -	\$ 2,128
Accounts payable (including related parties)	304,640	-	-	-	-	304,640
Other payables (including related parties)	237,035	28,781	9,531	-	-	275,347
Lease liabilities (including related parties)	74,989	211,781	233,153	454,034	451,817	1,425,774

Non-derivative financial liabilities:

December 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Notes payable (including related parties)	\$ 1,268	\$ -	\$ -	\$ -	\$ -	\$ 1,268
Accounts payable (including related parties)	348,469	-	-	-	-	348,469
Other payables (including related parties)	261,994	25,727	25,177	-	-	312,898
Lease liabilities (including related parties)	64,457	193,727	240,614	552,576	538,437	1,589,811

(3) Fair value information

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

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

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

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

B. The carrying amounts of the Group's financial instruments not measured at fair value including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), notes payable (including related parties), accounts payable (including related parties) and other payables (including related parties), lease liabilities approximate to their fair values.

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

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

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at				
fair value through				
other comprehensive				
income				
Equity securities	\$ 714,680	\$ -	\$ -	\$ 714,680
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at				
fair value through				
other comprehensive				
income				
Equity securities	\$ 644,867	\$ -	\$ -	\$ 644,867

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

For the instruments the Group used market quoted prices as their fair values (that is, Level 1), the Group uses the closing price as market quoted prices.

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

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

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

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.

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

F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 4.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Operating segment information

(1) General information

The Group managed business and determined strategy in terms of services classification and identified reportable segment in the same way.

The Group had two reportable segments: home delivery service segment and logistic business segment. Home delivery service segment mainly engaged in route-permitted truck transportation and home delivery service, and logistic business segment mainly engaged in the warehouse storage and tally and transportation delivery business.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Measurement of segment information

The Group assessed operating performance based on the profit before income tax of each operating segments. The measurement standard excluding the effects from non-current expenditures and gain (loss) on valuation of financial instruments in operating segments, and sales and services provided between segments were at fair trading practices. The revenue from external customers reported to the chief operating decision-maker was measured in a manner consistent with that in the statement of comprehensive income. The consolidated profit before income tax of current period should be consistent with the profit before income tax of reportable segments. Because the measured amounts of operating segments' assets and liabilities were not provided to the chief operating decision-maker, the disclosure of measured amounts of assets and liabilities is not required.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

2025

	Home delivery service segment	Logistic business segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,336,814	\$ 1,472,367	\$ -	\$ 3,809,181
Total segment revenue	\$ 2,336,814	\$ 1,472,367	\$ -	\$ 3,809,181
Segment income	(\$ 195,797)	\$ 64,728	\$ -	(\$ 131,069)
Segment income , including:				
Depreciation and amortisation	\$ 187,115	\$ 202,023	\$ -	\$ 389,138

These measured amounts were not included in the segment income (loss). However, they would be periodically provided to the chief operating decision-maker:

Income tax benefit (expense)	\$ 47,185	(\$ 15,599)	\$ -	\$ 31,586
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2024

	Home delivery service segment	Logistic business segment	Reconciliation and elimination	Total
Revenue from external customers	\$ 2,752,937	\$ 1,298,237	\$ -	\$ 4,051,174
Total segment revenue	\$ 2,752,937	\$ 1,298,237	\$ -	\$ 4,051,174
Segment income	(\$ 47,664)	\$ 29,485	\$ -	(\$ 18,179)
Segment income , including:				
Depreciation and amortisation	\$ 194,678	\$ 138,055	\$ -	\$ 332,733

These measured amounts were not included in the segment income (loss). However, they would be periodically provided to the chief operating decision-maker:

Income tax benefit (expense)	\$ 23,267	(\$ 14,393)	\$ -	\$ 8,874
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(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. There were no reconciliations of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2025 and 2024.

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	For the year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 3,782,882	\$ 1,848,978	\$ 4,023,321	\$ 2,074,175
Vietnam	26,299	-	27,853	-
Total	<u>\$ 3,809,181</u>	<u>\$ 1,848,978</u>	<u>\$ 4,051,174</u>	<u>\$ 2,074,175</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	For the year ended December 31, 2025			For the year ended December 31, 2024	
	Revenue	Segment		Revenue	Segment
A	\$ 643,070	Home delivery service segment and logistic business segment		\$ 811,304	Home delivery service segment and logistic business segment

Taiwan Pelican Express Co., Ltd. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by		Marketable securities	Relationship with the securities issuer		General ledger account		As of December 31, 2025			
					shares	Carrying amount	Ownership (%)	Fair value	Note	
Taiwan Pelican Express Co., Ltd.	Stock	TECO ELECTRIC & MACHINERY CO., LTD.	Ultimate parent	Non-current financial asset measured at fair value through other comprehensive income	6,363,000	\$ 534,492	0.27	\$ 534,492	None	
Taiwan Pelican Express Co., Ltd.	Stock	Momo.com Inc.	Not applicable	Non-current financial asset measured at fair value through other comprehensive income	868,377	180,188	0.33	180,188	None	
Taiwan Pelican Express Co., Ltd.	Stock	ASIAN CROWN INTERNATIONAL CO., LTD.	Not applicable	Non-current financial asset measured at fair value through other comprehensive income	207,319	-	1.75	-	Note 1	
						<u>\$ 714,680</u>		<u>\$ 714,680</u>		

Note 1: As of December 31, 2025, accumulated impairment of \$24,746 was accrued.

Taiwan Pelican Express Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Compared to third party transactions		Notes/accounts receivable (payable)				Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance			Percentage of total notes/accounts receivable (payable)	
Taiwan Pelican Express Co., Ltd.	TECO ELECTRIC & MACHINERY CO., LTD.	Ultimate parent	Sale	(\$ 323,053)	(8.48%)	Note 1	Not applicable	Not applicable	Accounts receivable	\$ 35,629		6.33%	None
Taiwan Pelican Express Co., Ltd.	An-shin Food Service Co., Ltd.	Other related parties	Sale	(328,950)	(8.64%)	Note 1	Not applicable	Not applicable	Accounts receivable	49,609		8.81%	None

Note: Goods and services are sold based on the price lists in force and terms that would be available to third parties.

Taiwan Pelican Express Co., Ltd. and subsidiaries
Information on investees
Year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net income of investee as of December 31, 2025	Investment income(loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Taiwan Pelican Express Co., Ltd.	Pelican Express (Vietnam)Co., Ltd.	Vietnam	Logistic business	\$ 5,750	\$ 5,750	-	100%	\$ 9,062	\$ 2,066	\$ 2,066	Note 1

Note 1: The transactions were written off when preparing the consolidated financial statements.

Taiwan Pelican Express Co., Ltd. and subsidiaries
Information on investments in Mainland China
Year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
Fubon Gehua (Beijing) Enterprise Co., Ltd.	Wholesale business	\$ 348,440	Note 1	\$ 24,746	\$ -	\$ -	\$ 24,746	\$ -	1.63	\$ -	\$ -	\$ -	Notes 2、3 and 4

Note 1: Reinvested in Mainland China through reinvested in the third area, Asian Crown International Co., Ltd.

Note 2: Financial assets at fair value through other comprehensive income.

Note 3: As of December 31, 2025, accumulated impairment of \$24,746 was accrued.

Note 4: Fubon Gehua (Beijing) Enterprise Co., Ltd. has been disbanded and liquidated according to the resolution of the board of directors in October 2023, and completed the legal cancellation procedures in April 2024. As of December 31, 2025, the liquidation share payment has yet to be recovered.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	Footnote
Taiwan Pelican Express Co., Ltd.	\$24,746	\$24,746	\$ 1,231,369	Note 5

Note 5: In accordance with 'Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China' and 'Rules on Review of Investment and Technology Cooperation in Mainland China' amended by Investment Commission, Ministry of Economic Affairs effective on August 29, 2008, the ceiling of investment of investors (not as personal and small and medium enterprise) in Mainland China is the net assets of the investors or 60% of consolidated net assets, whichever is higher.