

Tex Year Industries Inc. and
Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Review
Report
2025 and 2024

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Statement of Consolidated Financial Statements of Affiliated Companies

For the year 2025 (January 1 to December 31, 2025), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10. The information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The relevant information has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary, and, therefore, no separate consolidated financial statements of the related companies are prepared.

Hereby stated

Tex Year Industries Inc.

Chairman: Hsiao, Hsiang-Chih

March 12, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To: Tex Year Industries Inc.

Audit Opinion

We have duly audited the consolidated balance sheet of Tex Year Industries Inc. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2025 and 2024 as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretation Announcements issued by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Tex Year Industries Inc. and its subsidiaries as of December 31, 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the years 2025 and 2024 from January 1 to December 31.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the consolidated financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tex Year Industries Inc. and its subsidiaries in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

A key audit matter is one that, in our professional judgment, is material to the examination of the consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2025. These matters have been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

The key audit matters of the financial statements of Tex Year Industries Inc. and its subsidiaries for 2025 are summarized as follows:

Authenticity of sales revenue

The sales revenue of Tex Year Industries Inc. and its subsidiaries from selling products to specific customers in 2025 increased compared to the same period last year, which has a significant impact on the consolidated financial statements' sales revenue and financial performance of Tex Year Industries Inc.; therefore the authenticity of recognition of the sales revenue is listed as a key audit matter.

For the accounting policies and relevant disclosure information related to sales revenue, please refer to notes 4(13), 24 and 36 to the consolidated financial statements.

Our audit procedures for assessing the authenticity of the sales revenue in the course of the audit are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to the authenticity of sales revenue.
2. Obtain on a sample basis the transaction documents of the aforementioned sales revenue, including sales orders, shipping documents and collection status, to verify the authenticity of the sales revenue recognized.

Other Matters

The consolidated financial statements of Tex Year Industries Inc. and its subsidiaries, certain subsidiaries and investment companies using the equity method have not been audited by us, but by other auditors. Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the amounts included in the financial statements of certain subsidiaries and equity-method investees and the related information disclosed in the notes, is based on the reports of other auditors. The total assets of these subsidiaries as of December 31, 2025 and 2024 were NT\$691,850 thousand and NT\$531,361 thousand, respectively, accounting for 20% and 17% of the total combined assets; net operating income from January 1 to December 31, 2025 and 2024 was NT\$464,079 thousand and NT\$478,657 thousand respectively, representing 13% of the consolidated net operating income respectively. For these investments using the equity method, the balances on December 31, 2024 were NT\$4,498 thousand, representing 0.1% of total assets. From January 1 to December 31, 2024, the share of profit and loss of affiliates and joint ventures recognized by the equity method was losses of NT\$823 thousand, accounting for (0.4%) of the consolidated net profit before tax.

Tex Year Industries Inc. has prepared its individual financial reports for 2025 and 2024, and we have issued the audit report with unqualified opinions and notes on other matters for reference.

Responsibility of Management and Governance Unit to Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that present fairly the financial position of the Company in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as 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's responsibility also includes assessing Tex Year Industries Inc. and its subsidiaries' ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate Tex Year Industries Inc. and its subsidiaries or to cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (the audit committee) of Tex Year Industries Inc. and its subsidiaries are responsible for overseeing the financial reporting process.

Responsibility of Accountants Auditing Consolidated Financial Statements

The purpose of our audit is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report thereon. However, an audit performed in accordance with generally accepted auditing standards does not provide assurance that material misstatements in the consolidated financial statements will be detected. Misrepresentation may be the result of fraud or error. Individual amounts or aggregates that are not true are considered material if they could reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

We conducted our audit in accordance with generally accepted auditing standards, exercising our professional judgment and maintaining our professional skepticism. We also perform the following tasks.

1. Identify and assess the risks of material misstatement of the consolidated financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate evidence to provide a basis for an audit opinion. Because fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.
2. We obtained an understanding of the internal control relevant to our 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 Tex Year Industries Inc. and its subsidiaries' internal control.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.

4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tex Year Industries Inc. and its subsidiaries to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we should draw the attention of users of the consolidated financial statements to the relevant disclosures in the audit report or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Tex Year Industries Inc. and its subsidiaries to cease to have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the related transactions and events.
6. We obtained sufficient and appropriate audit evidence on the financial information of the constituent entities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the Group's audits, and for forming an opinion on the Group's audits.

We will communicate with the governance unit regarding the scope and timing of the planned audit and significant audit findings, including significant deficiencies in internal control identified during the audit.

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2025. We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

Deloitte & Touche
Taipei, Taiwan
March 12, 2026

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Tex Year Industries Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ Thousand

Code	Asset	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (notes 4 and 6)	\$ 576,644	17	\$ 531,145	17
1136	Current financial assets at amortized cost (notes 4 and 9)	16,074	1	45,785	2
1150	Notes receivable, net (notes 4, 5 and 10)	22,237	1	20,995	1
1170	Accounts receivable, net (notes 4, 5 and 10)	663,273	19	674,634	21
1180	Accounts receivable due from related parties, net (notes 4, 5, 10 and 31)	60,707	2	42,855	1
1200	Other receivables (notes 4 and 10)	10,162	-	11,267	-
1210	Other receivables - related parties (notes 4, 10 and 31)	4,303	-	3,143	-
130X	Current inventories (notes 4, 5 and 11)	532,998	15	581,255	18
1470	Other current assets (note 17)	49,307	1	50,624	2
11XX	Total current assets	<u>1,935,705</u>	<u>56</u>	<u>1,961,703</u>	<u>62</u>
	Non-current assets				
1510	Non-current Financial assets at fair value through profit or loss (notes 4 and 7)	39,178	1	37,791	1
1535	Financial assets measured at cost after amortization - non-current (notes 4, 9 and 32)	-	-	39,425	1
1550	Investment under the equity method (note 4 and 13)	56,481	1	53,081	2
1600	Property, plant and equipment (notes 4, 14 and 32)	1,204,125	35	953,487	30
1755	Right-of-use assets (notes 4 and 15)	165,675	5	75,801	2
1780	Intangible assets (notes 4 and 16)	16,656	-	14,176	-
1840	Deferred tax assets (notes 4 and 26)	27,040	1	25,145	1
1990	Other non-current assets (note 17)	25,480	1	25,983	1
15XX	Total non-current assets	<u>1,534,635</u>	<u>44</u>	<u>1,224,889</u>	<u>38</u>
1XXX	Total assets	<u>\$ 3,470,340</u>	<u>100</u>	<u>\$ 3,186,592</u>	<u>100</u>
	Liabilities and equities				
	Current liabilities				
2100	Short-term borrowings (notes 18 and 32)	\$ 712,009	21	\$ 545,225	17
2150	Notes payable (note 20)	-	-	693	-
2170	Accounts payable - related parties (notes 20 and 31)	270,648	8	323,611	10
2200	Other payables (notes 21 and 31)	187,095	5	197,123	6
2230	Current tax liabilities (notes 4 and 26)	32,981	1	28,581	1
2280	Current lease liabilities (notes 4 and 15)	6,235	-	6,921	1
2320	Long-term loans, current portion (notes 18 and 32)	42,252	1	31,077	1
2399	Other current liabilities, others (note 21)	40,833	1	61,433	2
21XX	Total current liabilities	<u>1,292,053</u>	<u>37</u>	<u>1,194,664</u>	<u>38</u>
	Non-current liabilities				
2540	long-term loans (notes 18 and 32)	307,784	9	119,876	4
2570	Deferred tax liabilities (notes 4 and 26)	68,268	2	63,636	2
2580	Non-current lease liabilities (notes 4 and 15)	7,476	1	5,091	-
2630	Non-current deferred income (note 4)	1,389	-	1,610	-
2640	Net defined benefit liability, non-current (notes 4 and 22)	7,422	-	12,781	-
2670	Other non-current liabilities	1,424	-	883	-
25XX	Total non-current liabilities	<u>393,763</u>	<u>12</u>	<u>203,877</u>	<u>6</u>
2XXX	Total Liabilities	<u>1,685,816</u>	<u>49</u>	<u>1,398,541</u>	<u>44</u>
	Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 22, 23, and 26)				
3110	Share capital - ordinary share	1,145,160	33	1,145,160	36
3200	Capital surplus	124,374	4	124,374	4
	Retained earnings				
3310	Legal reserve	162,422	5	145,746	5
3320	Special reserve	66,031	2	99,396	3
3350	Unappropriated retained earnings	195,344	5	207,222	6
3300	Total retained earnings	<u>423,797</u>	<u>12</u>	<u>452,364</u>	<u>14</u>
	Other equity interest				
3410	Exchange differences on translation of foreign financial statements	(55,048)	(2)	(53,445)	(2)
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(12,586)	-	(12,586)	-
3400	Total other equity interest	(67,634)	(2)	(66,031)	(2)
31XX	Total owner's equity of the Company	<u>1,625,697</u>	<u>47</u>	<u>1,655,867</u>	<u>52</u>
36XX	Non-controlling interests	<u>158,827</u>	<u>4</u>	<u>132,184</u>	<u>4</u>
3XXX	Total equity	<u>1,784,524</u>	<u>51</u>	<u>1,788,051</u>	<u>56</u>
	Total liabilities and equity	<u>\$ 3,470,340</u>	<u>100</u>	<u>\$ 3,186,592</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2026)

Chairman: Hsiao, Hsiang-Chih

President: Hsiao, Hsiang-Chih

Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

		In thousand of New Taiwan Dollars, Except earnings per share.			
		2025		2024	
Code		Amount	%	Amount	%
4000	Net operating income (notes 4, 24, 31 and 36)	\$ 3,594,110	100	\$ 3,679,001	100
	Operating costs (notes 4, 5, 11, 14, 22, 25 and 31)				
5110	Costs of good sold	<u>2,766,373</u>	<u>77</u>	<u>2,802,965</u>	<u>76</u>
5900	Gross profit from operations	827,737	23	876,036	24
5910	Unrealized gains from joint ventures (note 4)	<u>-</u>	<u>-</u>	(<u>34</u>)	<u>-</u>
5950	Gross profit from operations	<u>827,737</u>	<u>23</u>	<u>876,002</u>	<u>24</u>
	Operating expenses (notes 4, 5, 10, 22, 25 and 31)				
6100	Marketing expenses	389,000	11	390,148	11
6200	Administrative expenses	193,822	5	191,537	5
6300	Research and development expenses	118,475	3	121,317	3
6450	Expected credit impairment losses (reversal gains)	<u>5,055</u>	<u>-</u>	(<u>812</u>)	<u>-</u>
6000	Total operating expenses	<u>706,352</u>	<u>19</u>	<u>702,190</u>	<u>19</u>
6900	Net-operating income	<u>121,385</u>	<u>4</u>	<u>173,812</u>	<u>5</u>
	Non-operating income and expenses				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (notes 4 and 13)	4,201	-	5,225	-
7100	Interest income (notes 4 and 25)	5,500	-	7,650	-
7010	Other income (notes 4, 25, 28 and 31)	26,061	1	29,776	1
7020	Other gains and losses, net (notes 4 and 25)	(363)	-	1,551	-

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Code		2025		2024	
		Amount	%	Amount	%
7590	Miscellaneous disbursements	(\$ 6,749)	-	(\$ 6,067)	-
7510	Financial cost (notes 4, 18, 19 and 25)	(18,333)	(1)	(15,145)	-
7220	Losses on disposal of investment (notes 4 and 13)	(184)	-	(2,483)	-
7230	Foreign exchange gains (notes 4 and 34)	<u>2,836</u>	<u>-</u>	<u>9,658</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>12,969</u>	<u>-</u>	<u>30,165</u>	<u>1</u>
7900	Net profit before tax	134,354	4	203,977	6
7950	Income tax expense (notes 4 and 26)	<u>48,957</u>	<u>2</u>	<u>38,390</u>	<u>1</u>
8200	Net profit of the current period	<u>85,397</u>	<u>2</u>	<u>165,587</u>	<u>5</u>
	Other comprehensive income (notes 4, 8, 12, 13, 22 and 26)				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	1,013	-	7,151	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(<u>203</u>)	<u>-</u>	(<u>1,430</u>)	<u>-</u>
8310		<u>810</u>	<u>-</u>	<u>5,721</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	3,877	-	43,413	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(4,498)	-	1,543	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>401</u>	<u>-</u>	(<u>8,341</u>)	<u>-</u>
8360		(<u>220</u>)	<u>-</u>	<u>36,615</u>	<u>1</u>
8300	Total other comprehensive income	<u>590</u>	<u>-</u>	<u>42,336</u>	<u>1</u>
8500	Total comprehensive income of the year	<u>\$ 85,987</u>	<u>2</u>	<u>\$ 207,923</u>	<u>6</u>
	Net profit attributable to				
8610	owners of the Company	\$ 85,139	2	\$ 161,039	4
8620	Non-controlling interests	<u>258</u>	<u>-</u>	<u>4,548</u>	<u>-</u>
8600		<u>\$ 85,397</u>	<u>2</u>	<u>\$ 165,587</u>	<u>4</u>

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Code		2025		2024	
		Amount	%	Amount	%
	Total comprehensive income attributable to				
8710	owners of the Company	\$ 84,346	2	\$ 200,125	6
8720	Non-controlling interests	<u>1,641</u>	<u>-</u>	<u>7,798</u>	<u>-</u>
8700		<u>\$ 85,987</u>	<u>2</u>	<u>\$ 207,923</u>	<u>6</u>
	Earnings per Share (note 27)				
9710	Basic	<u>\$ 0.74</u>		<u>\$ 1.50</u>	
9810	Dilute	<u>\$ 0.74</u>		<u>\$ 1.41</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2026)

Chairman: Hsiao, Hsiang-Chih

President: Hsiao, Hsiang-Chih

Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand

		Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 22, 23, and 26)						Other equity interest items			
		Share capital	Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests		
Code		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			(notes 4 and 12)	Total equity	
A1	Balance on January 1, 2024	\$ 1,037,563	\$ 80,767	\$ 138,235	\$ 97,894	\$ 106,614	(\$ 86,810)	(\$ 12,586)	\$ 125,674	\$ 1,487,351	
	Appropriation and distribution of retained earnings for 2023										
B1	Legal reserve appropriated	-	-	7,511	-	(7,511)	-	-	-	-	
B3	Special reserve appropriated	-	-	-	1,502	(1,502)	-	-	-	-	
B9	Cash dividends of ordinary share	-	-	-	-	(57,139)	-	-	-	(57,139)	
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	(1,288)	(1,288)	
I1	Common shares converted from convertible corporate bonds	107,597	43,607	-	-	-	-	-	-	151,204	
D1	Net profit in 2024	-	-	-	-	161,039	-	-	4,548	165,587	
D3	Other comprehensive income after tax in 2024	-	-	-	-	5,721	33,365	-	3,250	42,336	
D5	Total comprehensive income in 2024	-	-	-	-	166,760	33,365	-	7,798	207,923	
Z1	Balance on December 31, 2024	1,145,160	124,374	145,746	99,396	207,222	(53,445)	(12,586)	132,184	1,788,051	
	Appropriation and distribution of retained earnings for 2024										
B1	Legal reserve appropriated	-	-	16,676	-	(16,676)	-	-	-	-	
B3	Special reserve reversed	-	-	-	(33,365)	33,365	-	-	-	-	
B5	Cash dividends of ordinary share	-	-	-	-	(114,516)	-	-	-	(114,516)	
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	(6,568)	(6,568)	
E1	Capital increase of subsidiary	-	-	-	-	-	-	-	31,570	31,570	
D1	Net profit in 2025	-	-	-	-	85,139	-	-	258	85,397	
D3	Other comprehensive income after tax in 2025	-	-	-	-	810	(1,603)	-	1,383	590	
D5	Total comprehensive income in 2025	-	-	-	-	85,949	(1,603)	-	1,641	85,987	
Z1	Balance on December 31, 2025	\$ 1,145,160	\$ 124,374	\$ 162,422	\$ 66,031	\$ 195,344	(\$ 55,048)	(\$ 12,586)	\$ 158,827	\$ 1,784,524	

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2026)

Chairman: Hsiao, Hsiang-Chih

President: Hsiao, Hsiang-Chih

Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2025 and 2024

Unit: NT\$ Thousand

Code		2025	2024
	Cash flow from business activities		
A00010	Profit from continuing operations before tax	\$ 134,354	\$ 203,977
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	99,300	97,773
A20200	Amortization expenses	9,569	6,323
A20300	Expected credit impairment losses (reversal gains)	5,055	(812)
A20400	Net loss (profit) on financial assets at fair value through profit or loss	670	(2,237)
A20900	Finance costs	18,333	15,145
A21200	Interest income	(5,500)	(7,650)
A21300	Dividend income	(1,267)	(787)
A22300	Share of Income From Affiliates and Joint Venture Accounted for Using the Equity Method	(4,201)	(5,225)
A22900	Proceeds from disposal of lease agreement benefits	-	(14)
A22500	Loss (gain) from Proceeds from disposal of property, plant and equipment	(307)	700
A23200	Losses on disposal of investments	184	2,483
A23800	Impairment loss on non-financial assets	1,607	9,272
A23700	Impairment losses of property, plant, and equipment	-	4,349
A23900	Unrealized profit from joint ventures	-	34
A29900	Other adjustments to reconcile profit (loss)	(221)	(227)
A30000	Changes in operating assets and liabilities		
A31115	Financial instruments measured at fair value through the income statement	-	31,337
A31130	Notes receivable	(1,242)	8,989
A31150	Accounts receivable	6,234	(98,390)
A31160	Accounts receivable due from related parties	(18,274)	13,858
A31180	Other receivables	(1,824)	(4,533)
A31190	Other receivables - related parties	(1,447)	3,084
A31200	Inventories	46,566	(100,104)
A31240	Other current assets	1,317	(12,119)
A32130	Notes payable	(693)	693
A32150	Accounts payable	(52,963)	30,206
A32180	Other payables	(9,865)	37,708

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Code		2025	2024
A32230	Other current liabilities	(\$ 20,600)	(\$ 14,415)
A32240	Non-current net defined benefit liability	(4,346)	(3,490)
A33000	Cash inflow generated from operations	200,439	215,928
A33100	Interest received	5,368	8,242
A33300	Interest paid	(18,109)	(14,017)
A33500	Income tax paid	(41,622)	(64,923)
AAAA	Net cash flow from operating activities	<u>146,076</u>	<u>145,230</u>
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	(17,325)	(24,261)
B00050	Proceeds from disposal of financial assets at amortized cost	84,242	575
B00100	Acquisition of financial assets at fair value through profit or loss	(4,500)	(12,840)
B00200	Disposal of financial assets at fair value through profit or loss	2,443	762
B01800	Acquisition of investment by the equity method	(3,697)	(3,907)
B01900	Net cash inflow from the disposal of investment under the equity method	3,560	-
B02700	Acquisition of property, plant and equipment	(324,679)	(56,456)
B02800	Proceeds From Disposal of Property, Plants, and Equipment	491	1,113
B04500	Acquisition of intangible assets	(8,468)	(4,872)
B05350	Acquisition of right-of-use assets	(89,836)	-
B06700	Decrease in other non-current assets	475	194
B07100	Increase in prepayments for business facilities	(7,762)	(1,908)
B07600	Dividend received	<u>1,267</u>	<u>787</u>
BBBB	Net cash outflow from investment activities	(<u>363,789</u>)	(<u>100,813</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	3,343,203	2,013,471
C00200	Decrease in short-term loans	(3,178,296)	(1,957,520)
C01600	Long-term loans	230,160	-
C01700	Repayment of long-term loans	(31,077)	(52,540)
C04020	Repayments of the principal of lease liabilities	(8,840)	(8,358)
C04400	Increase in other non-current liabilities	541	119
C04500	Cash dividends paid	(114,516)	(57,139)
C05800	Change in non-controlling interests	31,570	-
C09900	Cash dividends from non-controlling interests paid	(<u>4,407</u>)	(<u>1,288</u>)
CCCC	Cash inflow (outflow) from financing activities	<u>268,338</u>	(<u>63,255</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>5,126</u>)	<u>27,786</u>

(Continue)

(Continue)

<u>Code</u>		<u>2025</u>	<u>2024</u>
EEEE	Net increase in cash and cash equivalents	\$ 45,499	\$ 8,948
E00100	Cash and cash equivalents at beginning of period	<u>531,145</u>	<u>522,197</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 576,644</u>	<u>\$ 531,145</u>

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 12, 2026)

Chairman: Hsiao, Hsiang-Chih

President: Hsiao, Hsiang-Chih

Accounting Manager: Kao, Chih-Wen

Tex Year Industries Inc. and Subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2025 and 2024
(Unless otherwise specified, the amount is in NT\$ Thousand)

1. Company History and Business Scope

Tex Year Industries Inc. (hereinafter referred to as the “Company”) was established on June 28, 1976 with the approval of the Ministry of Economic Affairs. The main scope of business is the production and sales of eco-friendly hot melt adhesive and other adhesives, special chemicals for the electronic industry, the production and sales of air filter materials, trading of medical equipment, and biodegradable products, and the production and sales of green materials and solutions.

The Company’s shares were listed and traded on the Taipei Exchange (OTC) Securities Market of the Republic of China on March 16, 2001, and delisted on the Taipei Exchange (OTC) Securities Market on June 24, 2015 and listed and traded on the Taiwan Stock Exchange on the same day.

The consolidated financial statements are expressed in NT\$, the functional currency of the Company.

2. Date and Procedure of Adoption of Financial Statements

The consolidated financial statements were approved by the board meeting on March 12, 2026.

3. Application of New and Revised Standards and Interpretations

- (1) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as “IFRS Accounting Standards”) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the “FSC”) are applied for the first time.

The application of revised IFRS Accounting Standards approved and issued by the FSC will not result in significant changes in the accounting policies of Tex Year Industries Inc. and its subsidiaries (hereinafter referred to as the “Consolidated Company”).

- (2) Applicable IFRSs approved by the FSC for 2026

New/amended/revised criteria and interpretation	Effective date of IASB release
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts That Reference Nature-dependent Electricity”	January 1, 2026
"IFRS Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1, 2023

As of the date of adoption of this consolidated financial statements, the Consolidated Company assesses that the above-mentioned amendments to standards and interpretations will not have a material impact on the financial position and financial performance.

- (3) IFRS Accounting Standards issued by IASB but not approved and effective by the FSC

New/amended/revised criteria and interpretation	The effective date promulgated by IASB (Note 1)
The amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including amendments in 2025)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise noted, the above-mentioned new/ amended/ revised standards or interpretations shall come into effect during the annual reporting period starting after that date.

Note 2: On September 25, 2025, the FSC announced that Taiwanese companies should adopt IFRS 18 from January 1, 2028, or choose to adopt it earlier once IFRS 18 is recognized by the FSC.

1. Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between investors and their associates or joint ventures"

The amendments specified that if the Consolidated Company disposes of or invests assets in an associate (or joint venture), or if the Consolidated Company loses its control over a subsidiary but retain the material influence (or joint control) over the subsidiary, when the abovementioned assets or subsidiary complies with the definition of "business" under the IFRS 3 "Business Combinations," the Consolidated Company fully recognize the gain or loss generated from such transactions.

In addition, if the Consolidated Company disposes of or invests assets in an associate (or joint venture), or if the Consolidated Company loses its control over a subsidiary in a transaction with an associate (or joint venture) but retain the material influence (or joint control) over the subsidiary, when the abovementioned assets or subsidiary do not comply with the definition of "business" under the IFRS 3 "Business Combinations," the Consolidated Company only recognize the gains or losses generated from the transaction within the scope of rights and interests that are not related to the associate (or joint venture), and the share of gains or losses of the Consolidated Company shall be eliminated.

2. IFRS 18 "Presentation and Disclosures of Financial Statements" and relevant auxiliary amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements," and the main changes of the standard include:

- The Consolidated Company shall evaluate whether there are any assets invested in particular categories or particular main business activities that provide financing to customers to classify gain and expense items in the income statement into operations, investments, fundraising, income tax, and discontinued operations.
- The income statement shall present the operating profit or loss, profit or loss before tax before fundraising, and the subtotal and total of profit or loss.
- Provide guidelines to enhance the summarizing and separation requirements: The consolidated company shall identify assets, liabilities, equity, gains, expenses, and cash flow generated from individual transactions or other matters and carry out the classification and summary based on the common characteristics to allow the single line items reported in the major financial statements to have at least one similar characteristic. Items with non-similar characteristics shall be separated in the major financial statements and notes. The Consolidated Company may only mark such items as "others" when it is unable to find a more informative label.
- Addition of disclosures of performance measurement defined by the management: When the consolidated company is carrying out public communications other than financial statements, communicate with users of financial statements are communicating from the perspective of a certain aspect of the management regarding the overall financial performance of the consolidated company, relevant information on the performance measurement defined by the management shall be disclosed in a single note in the financial statements, including the description of the measurement, the calculation method, the reconciliation of it and the subtotal or total stipulated in the IFRSs, and the effects of relevant reconciliation items on income tax and non-controlling interest.

In addition, IAS 7 "Statement of Cash Flows" carried out the following auxiliary amendments:

- When the Consolidated Company prepares its cash flows from operating activities using the indirect method, operating profit or loss should be used as the starting point for reconciliation.
- The interest and dividends received by the Consolidated Company should be classified as investing activities, and the interest and dividends paid should be classified as financing activities. If the Consolidated Company is assessed to have specific principal operating activities, it shall consider the types of dividend income, interest income, and interest expenses presented in the income statement to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, the above cash flows can only be classified separately within a single activity in the statement of cash flows.

Apart from the abovementioned impacts, the Consolidated Company assesses that the amendments to standards and interpretations will not have a material impact on the financial position and financial performance as of the date of adoption of these consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Declaration of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards approved and issued by the FSC.

(2) Basis of Preparation

In addition to financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

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

1. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input value: refers to the directly (i.e. price) or indirectly (i.e. derived from price) observable input value of assets or liabilities other than the quotation of level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(3) Criteria for distinguishing between current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes.
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes.
2. Liabilities to be settled within 12 months after the balance sheet date (even if a long-term refinancing or rearranged payment agreement is completed after the balance sheet date and before the approval for the publication of the financial, they are classified as current liabilities); and

3. Liabilities for which the Company has no substantive right to defer the settlement period to at least 12 months after the balance sheet date on the balance sheet date.

Current assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities. When the terms of liabilities may be settled by transferring the equity instruments of the consolidated company based on the option of the counterparty of the transaction, if the consolidated company classify the option as equity instruments, such terms have no effects on the classification of current or non-current liabilities.

(4) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the consolidated company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and expense losses among the entities have been eliminated. The total comprehensive income of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the consolidated company does not result in a loss of control, it shall be treated as an equity transaction. The book amounts of the consolidated company and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

For details of subsidiaries, shareholding ratio and business items, please refer to note 12, Table 6 and Table 7.

(5) Foreign Currency

When preparing the financial statements, each individual is recorded in a currency other than the individual's functional currency (foreign currency) and is translated into the functional currency based on the exchange rate on the transaction date.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from changes in fair value recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates prevailing on the dates of transactions and are not retranslated.

To prepare consolidated financial statements, the assets and liabilities of the Company and its foreign operations (including subsidiaries or joint ventures that operate in countries or currencies different from those of the Consolidated Company) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at average exchange rates for the period, with the resulting exchange differences recorded in other comprehensive income and attributed to the Consolidated Company's owners and noncontrolling interests, respectively.

If the Consolidated Company disposes of all the interests in a foreign operating entity, or disposes of part of the interests in a subsidiary of a foreign operating entity but loses control, or disposes of a retained interest in a foreign operating entity that is a financial asset and is accounted for under the accounting policy for financial instruments, all cumulative translation differences attributable to the Company's owners and related to that foreign operating entity are reclassified to profit or loss.

(6) Inventory

Inventory includes raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. The net realizable value is the estimated selling price under normal circumstances less the estimated costs still to be invested to completion and the estimated costs required to complete the sale. The cost of inventories is calculated using the weighted-average method.

(7) Investment in Associates and Joint Ventures

Affiliates refer to those on which the consolidated company has significant influence but are not subsidiaries or joint ventures. A joint venture is a joint agreement between the Consolidated Company and another company with joint control and rights to the net assets.

The consolidated company applies the equity method to the investment in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost, and the carrying amount is increased or decreased in accordance with the consolidated company's share of the profit and loss of the associates and joint ventures, share of other comprehensive income, and profit distributed. In addition, the change in the equity of the associates and joint ventures is recognized in proportion to the shareholding.

The excess of the acquisition cost over the consolidated company's share of the net fair value of the identifiable assets and liabilities of associates and joint ventures is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities over the acquisition cost is recorded as profit or loss for the period.

If the consolidated company does not subscribe to new shares in proportion to its shareholding in an associate or joint venture, resulting in a change in its shareholding and a resulting increase or decrease in the net equity of the investment, the increase or decrease is adjusted to capital surplus - change in net equity of the joint venture accounted for using equity method and investment accounted for using equity method. However, if the ownership interest in an associate or joint venture is

reduced as a result of not subscribing to or acquiring shares in proportion to the ownership interest, the amount recognized in other comprehensive income related to the associate or joint venture is reclassified in proportion to the reduction, and the accounting treatment is based on the same basis as that required for direct disposal of the related assets or liabilities. If the adjustment referred to in the preceding paragraph shall be debited to the capital surplus, but the balance of the capital surplus generated by the investment using the equity method is insufficient, the difference shall be debited to the retained earnings.

The recognition of further losses ceases when the consolidated company's share of losses in an associate or joint venture equals or exceeds its interest in the joint venture (including the carrying amount of the investment in the joint venture under the equity method and other long-term interests that are in substance a component of the consolidated company's net investment in the associate or joint venture). The consolidated company recognizes additional losses and liabilities only within the range of the legal obligations, constructive obligations or payments made on behalf of the associate or joint venture.

In assessing impairment, the Consolidated Company treats the entire carrying amount of an investment (including goodwill) as a single asset for the purpose of impairment testing by comparing the recoverable amount with the carrying amount. Any reversal of the impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of the investment.

When the consolidated company ceases to use the equity method from the date its investment ceases to be for an associate or joint venture, its retained interest in the original associate or joint venture is measured at fair value, and the difference between the fair value and the disposal price and the carrying amount of the investment on the date it ceases to use the equity method is recognized in the current profit or loss. In addition, all amounts recognized in other comprehensive income related to the associate or joint venture are accounted for on the same basis as if the associate or joint venture directly disposes of related assets or liabilities. If an investment in an affiliate becomes an investment in a joint venture, or if an investment in an affiliate or joint venture becomes an investment in an affiliate, the consolidated company continues to use the equity method without remeasuring the retained interest.

The profits or losses resulting from counter-current, downstream and side flow transactions between the consolidated company and an affiliate or joint venture are recognized in the consolidated financial statements are recognized in the consolidated financial report only to the extent that they are not related to the consolidated company's interest in the associate or joint venture.

(8) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

When property, plant and equipment are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

(9) Intangible assets

1. Single acquisition

Individually acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization methods at least at each year-end and defers the effect of changes in applicable accounting estimates.

2. Derecognition

When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

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

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit or assets related to the costs of contracts is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit or assets related to the costs of contracts. Reversal of impairment loss is recognized in profit or loss.

(11) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are recognized at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Type of measurements

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

A. Financial assets measure at fair value through income statement

Financial assets at fair value through profit or loss are mandatory financial assets measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss include investments in equity instruments not designated by the Consolidated Company as measured at fair value through other comprehensive income or loss, and debt instrument investments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income or loss.

Financial assets at fair value through profit or loss are measured at fair value, and dividends generated are recognized in other income. For the determination of fair value, please refer to note 30.

B. Financial assets measured at cost after amortization

The Consolidated Company's investment financial assets are classified as financial assets carried at amortized cost if both of the following two conditions are met.

- a. is held under an operating model in which financial assets are held for the purpose of receiving contractual cash flows; and
- b. The terms of the contract generate cash flows on specific dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets carried at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable and other receivables carried at amortized cost) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

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

- a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- b. For financial assets that are not acquired or impaired but subsequently become impaired, interest income should be computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investments in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Consolidated Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which contingent consideration is recognized by the acquirer of the non-business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of investments, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from investments in equity instruments measured at fair value through other comprehensive income or loss are recognized in profit or loss when the rights to receive payments from the Consolidated Company are established, unless the dividends clearly represent a partial recovery of the cost of the investment.

(2) Impairment on financial assets

The Consolidated Company assesses impairment losses on financial assets (including notes receivable and accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

Accounts receivable are recognized as an allowance for loss based on the expected credit loss over the period of survival. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months, and if there is a significant increase, an allowance for loss is recognized based on the expected credit loss over the remaining period.

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

For internal credit risk management purposes, the Consolidated Company determines, without regard to the collateral held, that a default on a financial asset has occurred when there is any internal or external information indicating that a debtor is unable to settle his/her debt.

All impairment losses on financial assets are reversed by reducing the carrying amount through an allowance account.

(3) Derecognition on financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets lapse or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the

financial asset is derecognized as a whole at amortized cost. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instrument

Debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

3. Financial liabilities

(1) Subsequent measurements

All financial liabilities are measured at amortized cost using the effective interest method, except for the following

Financial liabilities measured at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss are held for trading.

Financial liabilities held for trading are measured at fair value, and gains or losses arising from their remeasurement are recognized in other gains and losses.

For the determination of fair value, please refer to note 30.

(2) Derecognition on financial assets

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

4. Convertible corporate bonds

The convertible bonds issued by the Consolidated Company are classified as financial liabilities and equity in accordance with the substance of the contractual agreements and the definitions of financial liabilities and equity instruments, respectively, at the time of initial recognition.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. The components of liabilities that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the separately determined liability component, which is recognized in equity net of the income tax effect and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount in equity will be transferred to equity and capital surplus - issue premium. If the conversion rights of convertible bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus - issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and the equity component (included in equity) of the instrument in proportion to the total apportioned price.

(12) Provision for liabilities

The amount recognized as provision for liabilities is the best estimate of the expense required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. The provision for liabilities is measured as the discounted value of estimated cash flows to settle the obligation.

The warranty obligation to conform to the agreed-upon specifications is based on management's best estimate of the expenses required to settle the Consolidated Company's obligations and is recognized as revenue from the related merchandise.

(13) Income recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Revenue from merchandise sales is mainly derived from sales of hot melt adhesive products. The Consolidated Company recognizes revenue and accounts receivable at the time of delivery of hot melt adhesive products to the customer's designated location or at the time of shipment, when the customer has the right to set the price and use the products and has the primary responsibility for reselling the products, and shall bear the risk of obsolescence. Advances for hot-melt adhesive products are recognized as contract liabilities before the Consolidated Company fulfills the obligations of contract performance.

Therefore, no revenue is recognized when the product is removed.

(14) Lease

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

Consolidated company as lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases, where lease payments are recognized as expenses on a straight-line basis over the lease term.

The right-of-use asset is measured initially at cost (consisting of the original measurement amount of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease liabilities are measured initially at the present value of lease payments, primarily fixed payments. Lease payments are discounted using the interest rate implied by the lease if it is readily recognizable. If the rate is not readily identifiable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liabilities are measured at amortized cost basis using the effective interest method and interest expense is allocated over the lease term. If there is a change in future lease payments due to changes in the lease period or rates, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(15) Borrowing Cost

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Government subsidy

Government grants are recognized only when there is reasonable assurance that the Consolidated Company will comply with the conditions attached to the government grant and that the grant will be received.

Government grants related to revenues are recognized as a reduction of related costs/other income on a systematic basis in the period in which the related costs for which they are intended to be reimbursed are recognized as expenses by the Consolidated Company. Government grants conditioned on the acquisition, construction or other acquisition of noncurrent assets by the Consolidated Company are recognized as deferred revenue and are transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

Government grants are recognized in profit or loss in the period in which they become receivable if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the consolidated company and have no future related costs.

(17) Employee benefits

1. Short-term employee benefits

Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

The defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit benefit method. Service cost and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income as incurred and included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit obligation represents the deficit in the defined benefit pension plan.

(18) Income Tax

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

1. Income tax of the current period

The consolidated company determines the current income (loss) in accordance with the regulations of each income tax filing jurisdiction and calculates the income tax payable (recoverable) accordingly.

Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the year when the shareholders resolve to retain the earnings.

Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

Deferred income tax is computed on temporary differences between the carrying amounts of assets and liabilities and the tax basis of taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized for temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and joint agreements, except where the Consolidated Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. Deferred income tax assets that have not been recognized are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences of the manner in which the Consolidated Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Income tax of the current period and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Main Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

In adopting accounting policies, the Consolidated Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors when relevant information is not readily available from other sources. Actual results may differ from estimates.

When developing major accounting estimates, the Consolidated Company takes the possible impact on the financial market into consideration, such as cash flow estimates, growth rates, discount rates, profitability, etc. The management will review the estimates and underlying assumptions on an ongoing basis.

Main Sources of Uncertainty in Estimates and Assumptions

(1) Estimated impairment loss on notes receivable and accounts receivable

The estimated impairment loss on notes receivable and accounts receivable is based on the Consolidated Company's assumptions about default rates and expected loss rates. The Consolidated Company considers historical experience, current market conditions and forward-looking information to make assumptions and select the input value for the impairment assessment. For the material assumptions and

inputs adopted, please refer to note 10. If the actual cash flow in the future is less than the expectation, material impairment losses may occur.

(2) Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to complete and estimated costs to complete the sale, which are based on current market conditions and historical sales experience of similar products.

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 1,180	\$ 1,672
Bank checks and demand deposits	482,194	411,560
Cash equivalents		
Bank term deposits with original maturity in 3 months	<u>93,270</u>	<u>117,913</u>
	<u>\$ 576,644</u>	<u>\$ 531,145</u>

The interest rate ranges of demand deposits and time deposits on the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Demand deposits	0.0001%~3.4%	0.0001%~0.9%
Time deposit	1.285%~5.020%	0.65%~4.65%

7. Financial Instruments Measured at Fair Value through Income Statement

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - non-current</u>		
Mandatory adoption of fair value through profit or loss		
Non-derivative financial assets		
- Limited partnership funds	<u>\$ 39,178</u>	<u>\$ 37,791</u>

8. Financial assets measured at fair value through other comprehensive income

Non-current equity investments

The consolidated company invests in the common shares of Acute Touch Technology Co., Ltd. for medium and long-term strategic purposes, and expects to make profits through long-term investment. In the opinion of the management of the consolidated company, if the short-term fair value fluctuation of such investment is included in the income, it is not consistent with the aforesaid long-term investment plan, so they chose to designate such investment as measured at fair value through other comprehensive income.

Considering the operation and net equity value of Acute Touch Technology Co., Ltd., the Consolidated Company may have a significant impairment in the recoverable amount of its relevant investment. The book values as of December 31, 2025 and 2024 were both zero.

9. Financial assets measured at cost after amortization

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with original maturity more than 3 months	<u>\$ 16,074</u>	<u>\$ 45,785</u>
<u>Non-current</u>		
Restricted bank deposits	<u>\$ -</u>	<u>\$ 39,425</u>

Restricted bank deposits are guarantees provided by the Consolidated Company to banks for endorsements and guarantees in favor of joint ventures.

Please refer to note 32 for information on financial assets at amortized cost which are pledged.

10. Notes receivable, accounts receivable and other receivables (including those of related parties)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Measured at cost after amortization		
Total carrying value	<u>\$ 22,237</u>	<u>\$ 20,995</u>
<u>Accounts receivable</u>		
Measured at cost after amortization		
Total carrying value	<u>\$ 678,826</u>	<u>\$ 697,169</u>
Less: provision for loss	<u>(15,553)</u>	<u>(22,535)</u>
	<u>\$ 663,273</u>	<u>\$ 674,634</u>

(Continue)

(Continue)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable due from related parties</u>		
Measured at cost after amortization		
Total carrying value	\$ 61,645	\$ 43,371
Less: provision for loss	(938)	(516)
	<u>\$ 60,707</u>	<u>\$ 42,855</u>
<u>Other receivables</u>		
Equity sales receivable (note 13)	\$ -	\$ 3,744
Tax refund receivable	6,855	2,251
Others	5,412	8,060
Less: provision for loss	(2,105)	(2,788)
	<u>\$ 10,162</u>	<u>\$ 11,267</u>
<u>Other receivables - related parties</u>		
Measured at cost after amortization		
Total carrying value	\$ 4,786	\$ 3,339
Less: provision for loss	(483)	(196)
	<u>\$ 4,303</u>	<u>\$ 3,143</u>

(1) Notes receivable and accounts receivable

The average credit period of the Consolidated Company for commodity sales is 60 days, and the notes receivable and accounts receivable are not subject to interest.

In order to reduce credit risk, the management of the consolidated company has assigned a special team to be responsible for the decision of credit facilities, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidated company will review the recoverable amounts of the receivables one by one on the balance sheet date to ensure that appropriate impairment loss has been provided for the receivables that cannot be recovered. Therefore, the management of the consolidated Company thinks that the credit risk of the consolidated Company has been significantly reduced.

The Consolidated Company shall recognize the provision for loss of notes receivable and accounts receivable according to the expected credit loss during the period of existence. The expected credit loss during the existence period is calculated by the preparation matrix, which considers the past default records of customers and their current financial situation, the industrial economic situation, as well as the GDP forecast and industrial outlook. As the historical experience of credit loss of the consolidated company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups, and only uses the overdue days of notes receivable and accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the Consolidated Company cannot reasonably expect the recoverable amount, for example, if the transaction counterparty is in liquidation, the consolidated company will directly write off the relevant notes receivables and accounts receivables, but will continue the recourse activities, and the amount recovered due to recourse will be recognized as income.

The Consolidated Company measures the provision for loss of notes receivable and accounts receivable (including those of related parties) according to the preparation matrix as follows:

December 31, 2025

	Not overdue	1~60 days overdue	61~120 days overdue	121~150 days overdue	151~180 days overdue	181~365 days overdue	More than 366 days overdue	Total
Expected credit loss rate	0%	0%~10%	5%~30%	20%~40%	50%~100%	100%	100%	
Total carrying value	\$ 661,530	\$ 75,198	\$ 9,242	\$ 3,256	\$ 703	\$ 4,903	\$ 7,876	\$ 762,708
Provision for loss (expected credit loss during the period of existence)	-	(946)	(1,322)	(741)	(703)	(4,903)	(7,876)	(16,491)
Cost after amortization	\$ 661,530	\$ 74,252	\$ 7,920	\$ 2,515	\$ -	\$ -	\$ -	\$ 746,217

December 31, 2024

	Not overdue	1~60 days overdue	61~120 days overdue	121~150 days overdue	151~180 days overdue	181~365 days overdue	More than 366 days overdue	Total
Expected credit loss rate	0%	0%~10%	5%~30%	20%~40%	50%~100%	100%	100%	
Total carrying value	\$ 674,357	\$ 56,045	\$ 9,984	\$ 90	\$ 9	\$ 1,914	\$ 19,136	\$ 761,535
Provision for loss (expected credit loss during the period of existence)	-	(684)	(1,295)	(18)	(4)	(1,914)	(19,136)	(23,051)
Cost after amortization	\$ 674,357	\$ 55,361	\$ 8,689	\$ 72	\$ 5	\$ -	\$ -	\$ 738,484

Information on changes in the provision for losses of notes and accounts receivable (including those of related parties) is as follows:

	2025	2024
Beginning balance	\$ 23,051	\$ 25,840
Add: Impairment losses (reversal gains) in the current period	5,440	(2,654)
Less: actual write off in current period	(12,110)	(409)
Foreign currency translation difference	110	274
Ending balance	\$ 16,491	\$ 23,051

(2) Other receivables

Information about the change of provision for losses of other receivables (including those of related parties) is as follows:

	2025	2024
Beginning balance	\$ 2,984	\$ 1,095
Add: (Reversal gains) impairment losses in the current period	(384)	1,842
Foreign currency translation difference	(12)	47
Ending balance	\$ 2,588	\$ 2,984

11. Inventory

	December 31, 2025	December 31, 2024
Finished products	\$ 236,200	\$ 245,917
Semi-finished products	17,165	19,385
Raw materials	183,580	188,293
Merchandise inventory	<u>96,053</u>	<u>127,660</u>
	<u>\$ 532,998</u>	<u>\$ 581,255</u>

The nature of cost of sales is as follows:

	2025	2024
Cost of inventory sold	\$ 2,764,766	\$ 2,793,693
Impairment loss on non-financial assets	<u>1,607</u>	<u>9,272</u>
	<u>\$ 2,766,373</u>	<u>\$ 2,802,965</u>

12. Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by:

Name of investment company	Name of subsidiary	Nature of business	Percentage of equity held		Explanation
			December 31, 2025	December 31, 2024	
The Company	Tex Year International (SAMOA) Corp.	Holding company	100%	100%	-
The Company	Tex Year (Hong Kong) Ltd.	Sales of hot melt adhesive, adhesive and various appliances	100%	100%	-
The Company	Tex Year Vietnam Co., Ltd. (Tex Year Vietnam)	Manufacturing and trading of hot melt adhesives and water adhesives	80%	80%	Note 3
The Company	Tex Year Europe Sp. z o.o.	R&D, production and sales of hot melt adhesives	80%	80%	-
The Company	Tex Year Minima Technology Inc. (Tex Year Minima Technology)	Investment and international trading company	81%	81%	-
Tex Year Minima Technology Inc.	Tex Year Minima Technology Europe Sp. z o.o. (Tex Year Minima Technology Europe)	Production, sales and development of biodegradable materials and products	100%	100%	Note 1
Tex Year Vietnam Co., Ltd. (Tex Year Vietnam)	Tex Year Technology Vietnam Co., Ltd.	Manufacturing and trading of hot melt adhesives and water adhesives	100%	-	Note 3
Tex Year International (SAMOA) Corp.	Tex Year Technology (Samoa) Corp.	Holding company	96.08%	96.08%	-
Tex Year (Hong Kong) Ltd.	Tex Year Technology (Samoa) Corp.	Holding company	3.92%	3.92%	-
Tex Year Technology (Samoa) Corp.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	R&D, production and sales of hot melt adhesives	100%	100%	-
Tex Year Technology (Samoa) Corp.	Tex Year Technology (Jiangsu) Co., Ltd.	R&D, production and sales of hot melt adhesives	100%	100%	-
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	100%	100%	-
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Shanghai C&M Filtration Solutions Limited.	R&D and Sales of Eco-friendly Filter Materials	50.10%	50.10%	-
Shanghai C&M Filtration Solutions Limited.	Jiangsu C&M Filtration Solutions Limited (Jiangsu C&M)	R&D and Manufacturing of Eco-friendly Filter Materials	100%	100%	Note 2
Shanghai C&M Filtration Solutions Limited.	Huzhou Yachuang Tech Ltd.	R&D and Sales in Eco-friendly Filter Materials, and Rental of Self-owned Houses	100%	100%	-

Note 1: The Company's Board resolved to cease the operation of Tex Year Minima Technology and carry out the liquidation on March 15, 2024. Nonetheless, the liquidation procedures have not been completed as of March 12, 2026.

Note 2: Jiangsu C&M performed a capital increase in cash in the amount of RMB1,660 thousand in April 2024, and the holding ratio did not change after the capital increase. In addition, Jiangsu C&M performed a capital decrease in cash in the amount of RMB10,000 thousand in August in the same year, and the holding ratio did not change after the abovementioned capital increase and capital decrease.

Note 3: To respond to operating requirements, the Board resolved and approved the proposal for the capital increase of Tex Year Vietnam on August 13, 2025 to make a capital increase in the amount of US\$4,000 thousand in December 2025. After the investment of funds, the shareholding ratio did not change, and Tex Year Vietnam shall establish Tex Year Technology Vietnam Co., Ltd., a subsidiary in Vietnam.

(2) Information of subsidiaries with significant non-controlling interests

Name of subsidiary	Main business premises	Proportion of shares and voting rights held by non-controlling interests	
		December 31, 2025	December 31, 2024
Tex Year Europe Sp. z o.o.	Poland	20.0%	20.0%
Shanghai C&M Filtration Solutions Limited.	Shanghai	49.9%	49.9%

Name of subsidiary	Gains (losses) distributed to non-controlling interests		Non-controlling interests	
	2025	2024	December 31, 2025	December 31, 2024
Tex Year Europe Sp. z o.o.	(\$ 1,873)	\$ 1,608	\$ 32,876	\$ 31,849
Shanghai C&M Filtration Solutions Limited.	902	1,692	74,383	79,995

The aggregate financial information of the following subsidiaries is based on the amounts before inter-company transaction cancellation:

Tex Year Europe Sp. z o.o.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 97,558	\$ 117,712
Non-current assets	139,000	125,185
Current liabilities	(71,335)	(83,109)
Non-current liabilities	(845)	(543)
Equity	<u>\$ 164,378</u>	<u>\$ 159,245</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity attributable to:		
owners of the Company	\$ 131,502	\$ 127,396
Non-controlling interests	<u>32,876</u>	<u>31,849</u>
	<u>\$ 164,378</u>	<u>\$ 159,245</u>
	<u>2025</u>	<u>2024</u>
Net profit/loss of the year	<u>(\$ 9,366)</u>	<u>\$ 8,039</u>
Net profit (loss) attributable to:		
owners of the Company	(\$ 7,493)	\$ 6,431
Non-controlling interests	<u>(1,873)</u>	<u>1,608</u>
	<u>(\$ 9,366)</u>	<u>\$ 8,039</u>

Shanghai C&M Filtration Solutions Limited. and its subsidiaries

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 94,885	\$ 94,940
Non-current assets	82,210	89,755
Current liabilities	<u>(28,024)</u>	<u>(24,377)</u>
Equity	<u>\$ 149,071</u>	<u>\$ 160,318</u>
Equity attributable to:		
owners of the Company	\$ 74,688	\$ 80,323
Non-controlling interests	<u>74,383</u>	<u>79,995</u>
	<u>\$ 149,071</u>	<u>\$ 160,318</u>
	<u>2025</u>	<u>2024</u>
Net profit of the current period	<u>\$ 1,808</u>	<u>\$ 3,390</u>
Net profit attributable to:		
owners of the Company	\$ 906	\$ 1,698
Non-controlling interests	<u>902</u>	<u>1,692</u>
	<u>\$ 1,808</u>	<u>\$ 3,390</u>

13. Investment under the equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in affiliated enterprises	\$ 4,715	\$ 4,498
Joint ventures	<u>51,766</u>	<u>48,583</u>
	<u>\$ 56,481</u>	<u>\$ 53,081</u>

(1) Investment in affiliated enterprises

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-important affiliated enterprises		
Huzhou Xiling Tech Ltd.	<u>\$ 4,715</u>	<u>\$ 4,498</u>

Percentages of equity and voting rights held by the consolidated company in affiliated enterprises on the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Huzhou Xiling Tech Ltd.	30%	30%

In addition, a capital increase in cash in the amount of RMB150 thousand was performed by the consolidated company for the company in March 2025. After the investment of funds, the shareholding ratio did not change.

(2) Joint ventures

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Individual non-significant joint ventures		
Tex Year Industrial Adhesives Pvt. Ltd.	<u>\$ 51,766</u>	<u>\$ 48,583</u>

The percentage of shares and voting rights held by the consolidated company in the joint venture on the balance sheet date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Individual non-significant joint ventures		
Tex Year Industrial Adhesives Pvt. Ltd.	50%	50%

The Consolidated Company performed a capital increase in cash in the amount of US\$101 thousand and US\$120 thousand for Year Industrial Adhesives Pvt. Ltd. in May 2025 and April 2024, respectively, and the shareholding ratio did not change after investing the capital.

The annual financial statements of Tex Year Industrial Adhesives Pvt. Ltd. ended on March 31. Since it is practically difficult to require the company to prepare additional financial statements with a reporting date of December 31, the Consolidated Company used this company's financial statements with the balance sheet date on March 31, 2025 and March 31, 2024, and made adjustments for significant transactions between April 1, 2025 and December 31, 2025 and between April 1, 2024 and December 31, 2024.

Except for the abovementioned joint venture, in September 2023, the Consolidated Company disposed of the equity of Wuxi More Tex Technology Co., Ltd. at a consideration of RMB22,640 thousand (NT\$99,775 thousand) and recognized the gains on disposal of RMB60,801 thousand after the estimation of taxable to be borne. According to the contractual agreements, the Consolidated Company has collected RMB21,000 thousand in October 2023 (NT\$92,548 thousand), and the remaining amount is to be received after the completion of tax clearance by Wuxi More Tex Technology Co., Ltd.. The additional taxes borne by the Consolidated Company in the amount of RMB41 thousand and RMB782 thousand were recognized 2025 and 2024 (accounted for as losses from the disposals of

investment), and the remaining amount of RMB817 thousand was retrieved after the completion of the tax clearance in February 2025.

The calculation of the equity-method investees and the Consolidated Company's share of income or loss and other comprehensive income or loss is based on the unreviewed financial statements of the investees; however, the Consolidated Company's management believes that the unreviewed financial statements of the investees are not material.

Please refer to Table 6 “Name, location, ... of the investee company” for the business nature, main business premises and country of incorporation of the joint ventures under the equity method above, and Table 7 “Mainland China investment information”.

14. Property, plant and equipment

	Self-own land	Revaluation and appreciation of land	Houses and buildings	Machinery and equipment	Office equipment	Other equipment	Unfinished construction	Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 56,406	\$ 45,324	\$ 890,130	\$ 711,852	\$ 37,112	\$ 108,945	\$ 37,056	\$ 1,886,825
Addition	-	-	7,805	15,913	4,783	6,282	21,789	56,572
Disposal	-	-	(10,680)	(3,274)	(3,611)	(3,366)	(437)	(21,368)
Reclassification	-	-	700	2,814	(232)	2,332	(5,636)	(22)
Net exchange differences	196	-	12,227	14,018	425	2,408	502	29,776
Balance on December 31, 2024	\$ 56,602	\$ 45,324	\$ 900,182	\$ 741,323	\$ 38,477	\$ 116,601	\$ 53,274	\$ 1,951,783
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ -	\$ -	\$ 376,521	\$ 394,438	\$ 25,530	\$ 86,666	\$ 26,962	\$ 910,117
Disposal	-	-	(10,087)	(2,251)	(3,571)	(3,315)	(331)	(19,555)
Depreciation expenses	-	-	31,242	46,431	4,147	5,943	-	87,763
Impairment Loss	-	-	-	-	-	-	4,349	4,349
Net exchange differences	-	-	5,309	7,568	320	1,987	438	15,622
Balance on December 31, 2024	\$ -	\$ -	\$ 402,985	\$ 446,186	\$ 26,426	\$ 91,281	\$ 31,418	\$ 998,296
Net amount on December 31, 2024	\$ 56,602	\$ 45,324	\$ 497,197	\$ 295,137	\$ 12,051	\$ 25,320	\$ 21,856	\$ 953,487
<u>Cost</u>								
Balance on January 1, 2025	\$ 56,602	\$ 45,324	\$ 900,182	\$ 741,323	\$ 38,477	\$ 116,601	\$ 53,274	\$ 1,951,783
Addition	155,280	-	91,597	45,316	3,922	10,934	15,082	322,131
Disposal	-	-	(511)	(13,458)	(988)	(5,446)	(29,291)	(49,694)
Reclassification	-	-	1,233	25,178	220	277	(22,335)	4,573
Net exchange differences	1,025	-	10,119	6,562	53	454	2,490	20,703
Balance on December 31, 2025	\$ 212,907	\$ 45,324	\$ 1,002,620	\$ 804,921	\$ 41,684	\$ 122,820	\$ 19,220	\$ 2,249,496
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ -	\$ 402,985	\$ 446,186	\$ 26,426	\$ 91,281	\$ 31,418	\$ 998,296
Disposal	-	-	(511)	(13,458)	(985)	(5,265)	(29,291)	(49,510)
Depreciation expenses	-	-	31,046	46,588	4,680	6,165	-	88,479
Net exchange differences	-	-	2,669	3,755	42	240	1,400	8,106
Balance on December 31, 2025	\$ -	\$ -	\$ 436,189	\$ 483,071	\$ 30,163	\$ 92,421	\$ 3,527	\$ 1,045,371
Net amount on December 31, 2025	\$ 212,907	\$ 45,324	\$ 566,431	\$ 321,850	\$ 11,521	\$ 30,399	\$ 15,693	\$ 1,204,125

Due to the changes in the green policies of the EU, the biodegradable materials and products produced by Tex Year Minima Technology have a poor market prospect. The production lines of the main plants suspended the trial production. The Board of the Consolidated Company resolved to suspend the operation of Tex Year Minima Technology in March 2024 and carry out the liquidation. In addition, the future cash inflow that the Consolidated Company expects to use in the production lines of such products decreased, resulting in the recoverable amount being less than the carrying amount; therefore, impairment losses of NT\$4,349 thousand were recognized in 2024, and the impairment losses were included under the cost of goods sold in the consolidated statement of comprehensive income.

The Consolidated Company entered into a contract with a total consideration of NT\$197,000 thousand for the purchase of land and houses and completed the transfer of the ownership of land and houses in May 2025.

Depreciation expenses are accrued on a straight-line basis based on the following number of years of service life:

Houses and buildings	
Main building of plant	3 to 40 Years
Electromechanical and other equipment	3 to 40 Years
Machinery and equipment	2 to 20 Years
Office equipment	3 to 10 Years
Other equipment	3 to 15 Years

Please refer to note 32 for the amount of property, plant and equipment pledged by the consolidated company as collateral for loans and letters of credit.

15. Lease agreements

(1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book amount of right-of-use assets		
Land	\$ 151,096	\$ 63,384
Buildings	2,669	5,435
Transportation equipment	10,674	5,617
Other equipment	1,236	1,365
	<u>\$ 165,675</u>	<u>\$ 75,801</u>
	<u>2025</u>	<u>2024</u>
Addition of right-of-use assets	<u>\$ 100,188</u>	<u>\$ 8,415</u>
Depreciation expenses of right-of-use assets		
Land	\$ 2,383	\$ 1,826
Buildings	4,077	4,209
Transportation equipment	4,117	3,709
Other equipment	244	266
	<u>\$ 10,821</u>	<u>\$ 10,010</u>

For operating requirements, the Board resolved and approved to purchase land for the expansion of its plants through Tex Year Technology Vietnam Co., Ltd. on August 13, 2025, and it made a total investment of US\$3,300 thousand in December 2025 to gain the land use rights.

(2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of lease liabilities		
Current	<u>\$ 6,235</u>	<u>\$ 6,921</u>
Non-current	<u>\$ 7,476</u>	<u>\$ 5,091</u>

The range of discount rate of lease liabilities is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	2.02%~6.25%	2.02%~6.25%
Transportation equipment	2.02%~3.88%	1.27%~3.88%
Other equipment	1.45%	1.45%

(3) Other lease information

	<u>2025</u>	<u>2024</u>
Short term rental expenses	<u>\$ 14,672</u>	<u>\$ 12,525</u>
Total cash (outflow) from lease	<u>(\$ 24,029)</u>	<u>(\$ 21,359)</u>

The consolidated company chooses to exempt the recognition of buildings, office equipment and transportation equipment conforming to the short-term lease. It does not recognize the relevant right-of-use assets and lease liabilities.

16. Intangible assets

	<u>Patent rights</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 43,436	\$ 34,435	\$ 77,871
Acquisition	-	4,872	4,872
Disposal	-	(6,112)	(6,112)
Reclassification	-	1,431	1,431
Net exchange differences	<u>1,619</u>	<u>50</u>	<u>1,669</u>
Balance on December 31, 2024	<u>\$ 45,055</u>	<u>\$ 34,676</u>	<u>\$ 79,731</u>

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	Patent rights	Computer software	Total
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2024	\$ 38,786	\$ 26,416	\$ 65,202
Amortization expenses	1,033	3,926	4,959
Disposal	-	(6,112)	(6,112)
Net exchange differences	<u>1,459</u>	<u>47</u>	<u>1,506</u>
Balance on December 31, 2024	<u>\$ 41,278</u>	<u>\$ 24,277</u>	<u>\$ 65,555</u>
Net amount on December 31, 2024	<u>\$ 3,777</u>	<u>\$ 10,399</u>	<u>\$ 14,176</u>
<u>Cost</u>			
Balance on January 1, 2025	\$ 45,055	\$ 34,676	\$ 79,731
Acquisition	-	8,468	8,468
Disposal	(14,220)	(1,171)	(15,391)
Reclassification	-	2,080	2,080
Net exchange differences	<u>971</u>	<u>299</u>	<u>1,270</u>
Balance on December 31, 2025	<u>\$ 31,806</u>	<u>\$ 44,352</u>	<u>\$ 76,158</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2025	\$ 41,278	\$ 24,277	\$ 65,555
Amortization expenses	1,001	7,170	8,171
Disposal	(14,220)	(1,171)	(15,391)
Net exchange differences	<u>990</u>	<u>177</u>	<u>1,167</u>
Balance on December 31, 2025	<u>\$ 29,049</u>	<u>\$ 30,453</u>	<u>\$ 59,502</u>
Net amount on December 31, 2025	<u>\$ 2,757</u>	<u>\$ 13,899</u>	<u>\$ 16,656</u>

Amortization expenses are accrued on a straight-line basis based on the following years of service life:

Patent rights	3 to 20 years
Computer software	1 to 10 years

Total amortization by function:

	2025	2024
Manufacturing Costs	\$ 74	\$ 79
Marketing expenses	254	222
Administrative expenses	7,000	4,513
R&D expenses	<u>843</u>	<u>145</u>
	<u>\$ 8,171</u>	<u>\$ 4,959</u>

17.	<u>Other assets</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Prepaid expenses	\$ 16,228	\$ 17,670
	Advance payment for goods	14,082	17,147
	Refundable deposit	12,202	12,590
	Prepayments for business facilities	8,115	6,891
	Long-term prepaid expenses	5,163	6,502
	Provisional payment	3,112	4,971
	Excess business tax paid	31	3,483
	Others	15,854	7,353
		<u>\$ 74,787</u>	<u>\$ 76,707</u>
	Current	\$ 49,307	\$ 50,624
	Non-current	25,480	25,983
		<u>\$ 74,787</u>	<u>\$ 76,707</u>
18.	<u>Borrowings</u>		
(1)	Short-term borrowings	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Secured loans</u> (note 32)		
	Bank loans	\$ 101,021	\$ 111,275
	<u>Unsecured loans</u>		
	Credit loans	610,988	433,950
		<u>\$ 712,009</u>	<u>\$ 545,225</u>
	Borrowing rates	0.93%~2.50%	1.90%~3.36%
(2)	Long-term loans	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Secured loans</u> (note 32)		
	Bank loans	\$ 350,036	\$ 150,953
	Less: due within one year	(42,252)	(31,077)
	Long-term loan	<u>\$ 307,784</u>	<u>\$ 119,876</u>
	Borrowing rates	2.100%~2.178%	2.125%~2.178%

The Consolidated Company has entered into mid-to-long-term secured loan agreements with E.Sun Bank, CTBC Bank, Taiwan Business Bank, and Taiwan Cooperative Bank. The loan amount is to be repaid in installments in accordance with the credit loan agreements, with the latest expiry date of November 2045.

The consolidated company has provided certain land and buildings as collateral. Please refer to note 32.

19. Corporate bonds payable (December 31, 2025 and December 31, 2024: None)

The Company has been approved by the competent authority to raise and issue the second secured domestic convertible corporate bond, with a total issuance amount of NT\$200,000 thousand and a coupon rate of 0%. The term is five years, and the circulation period is from October 23, 2019 to October 23, 2024. It was listed on the GreTai Securities Exchange of the Republic of China on October 23, 2019. When the convertible bond is due, it shall be paid in cash at one time according to the face value of the bonds. The holders of the convertible bond may, from three months after the day following the issuance date of this bond to the maturity date, request conversion into the common shares of the Consolidated Company at any time, except for the period during which the transfer of ownership shall be suspended in accordance with the relevant measures or laws and regulations. The conversion price of the convertible corporate bond is set in accordance with the pricing model prescribed in the conversion method, with the conversion price of NT\$15.7 per share. In case of any anti-dilution provisions of the Consolidated Company, the subsequent conversion price shall be adjusted in accordance with the pricing model prescribed in the conversion method.

From the day following 3 months after the issuance of the convertible corporate bonds to 40 days before the expiry of the issuance period, if the closing price of the Consolidated Company's ordinary shares exceeds the current conversion price by more than 30% (inclusive) for 30 consecutive business days, or if the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount, the Consolidated Company may recall all the bonds in cash according to the bond's face value.

Due to the Company's ex-dividend operation in 2024, the conversion prices have been adjusted to NT\$14 from the ex-dividend date of July 31, 2024.

The above-mentioned convertible corporate bonds include the conversion right of the main contractual debt instrument, the sale/redemption derivative instrument and the equity component, which are expressed under the equity by capital surplus - conversion rights. The effective interest rate originally recognized for the liability component is 1.26%.

The changes in the main contractual debt instrument are as follows: (2025: None)

	2024
Beginning liability components	\$ 149,958
Interest calculated at an effective interest rate in the current period	1,246
Common shares converted from payable corporate bonds	(151,204)
Ending liability components	<u>\$ -</u>

Changes in the conversion rights of equity components (under capital surplus) are as follows: (2025: None)

	<u>2024</u>
Beginning balance	\$ 6,609
Common shares converted from payable corporate bonds	(<u>6,609</u>)
Ending balance	<u>\$ -</u>

20. Notes payable and accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes payable</u>		
Arising from business	<u>\$ -</u>	<u>\$ 693</u>
<u>Accounts payable (including related parties)</u>		
Arising from business	<u>\$ 270,648</u>	<u>\$ 323,611</u>

21. Other liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables (including related parties)		
Bonus payable	\$ 50,118	\$ 61,092
Salary payable	30,409	28,664
Remuneration payable to employees , directors and supervisors	8,816	14,272
Leave payment payable	9,845	8,711
Payable on machinery and equipment	4,387	6,935
Dividends payable	2,216	-
Other expenses payable	<u>81,304</u>	<u>77,449</u>
	<u>\$ 187,095</u>	<u>\$ 197,123</u>
<u>Other liabilities</u>		
Contractual liabilities	\$ 32,076	\$ 48,870
Collection on behalf of others	1,342	1,395
Others	<u>7,415</u>	<u>11,168</u>
	<u>\$ 40,833</u>	<u>\$ 61,433</u>

22. Post-retirement benefit plans

(1) Defined contribution plan

The pension system of the "Labor Pension Act" applicable to the Consolidated Company under the consolidate company is a government-administered fixed appropriation retirement plan, with 6% of the employee's monthly salary allocated to the individual account of the Bureau of Labor Insurance.

The employees of the subsidiaries of the consolidated company in China and Vietnam are members of the local government operated retirement benefit plan. The subsidiary is required to allocate a specific proportion of the cost of salaries to the retirement benefit plan to fund the plan. The obligation of the consolidated company

to the retirement benefit plan operated by the government is only the allocation of a specific amount.

(2) Defined benefit plans

The Company of the consolidated group implements a pension system of defined benefit plans managed by the government as prescribed in the “Labor Standards Act”. The employee's pension is calculated based on the length of service and the average salary for the six months before the approved retirement date. The Company allocates 8% of the total monthly salary of the employees to the pension, and hands it over to the Labor Pension Reserve Supervision Committee to deposit it into the special account of the Bank of Taiwan in the name of the Committee. Before the end of the year, if it is estimated that the balance of the special account is not sufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be provided in one go by the end of March of the next year. The management of the account is entrusted to the Bureau of Labor Fund Utilization, Ministry of Labor, and the Consolidated Company has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheet for defined benefit plans are as follows

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current value of defined benefit obligation	\$ 71,870	\$ 73,521
Fair value of planned assets	(<u>64,448</u>)	(<u>60,740</u>)
Net defined benefit liabilities	<u>\$ 7,422</u>	<u>\$ 12,781</u>

Changes to net defined benefit liabilities are as follows:

	<u>Current value of defined benefit obligation</u>	<u>Fair value of planned assets</u>	<u>Net defined benefit liabilities</u>
Balance on January 1, 2024	<u>\$ 77,652</u>	<u>\$ 54,230</u>	<u>\$ 23,422</u>
Service cost			
Service cost of the current period	376	-	376
Interest expenses/interest income	<u>918</u>	<u>657</u>	<u>261</u>
	<u>1,294</u>	<u>657</u>	<u>637</u>
Recognized in income			
Compensation for planned assets (in addition to the amount included in net interest)	-	4,666	(4,666)
Actuarial gain - changes in financial assumptions	(2,246)	-	(2,246)
Actuarial profit - experience adjustment	(<u>239</u>)	<u>-</u>	(<u>239</u>)
Recognized as Other comprehensive income	(<u>2,485</u>)	<u>4,666</u>	(<u>7,151</u>)

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	Current value of defined benefit obligation	Fair value of planned assets	Net defined benefit liabilities
Employer contribution	\$ -	\$ 4,127	(\$ 4,127)
Benefit paid	(2,940)	(2,940)	-
Balance on December 31, 2024	<u>\$ 73,521</u>	<u>\$ 60,740</u>	<u>\$ 12,781</u>
Balance on January 1, 2025	<u>\$ 73,521</u>	<u>\$ 60,740</u>	<u>\$ 12,781</u>
Service cost			
Service cost of the current period	341	-	341
Interest expenses/interest income	1,158	979	179
Settlement payment	(6,194)	(5,477)	(717)
Recognized in income	(4,695)	(4,498)	(197)
Compensation for planned assets (in addition to the amount included in net interest)	-	4,057	(4,057)
Actuarial gain - changes in financial assumptions	1,298	-	1,298
Actuarial profit - experience adjustment	<u>1,746</u>	<u>-</u>	<u>1,746</u>
Recognized as Other comprehensive income	<u>3,044</u>	<u>4,057</u>	(1,013)
Employer contribution	<u>-</u>	<u>4,149</u>	(4,149)
Balance on December 31, 2025	<u>\$ 71,870</u>	<u>\$ 64,448</u>	<u>\$ 7,422</u>

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	2025	2024
Operating cost	\$ 106	\$ 120
Marketing expenses	154	215
Administrative expenses	(536)	202
R&D expenses	<u>79</u>	<u>100</u>
	<u>(\$ 197)</u>	<u>\$ 637</u>

The Consolidated Company is exposed to the following risks as a result of the Labor Standards Law pension system.

1. Investment risk: The Bureau of Labor Fund Operation of the Ministry of Labor invests the Labor Pension Fund in domestic (and foreign) equity and debt securities and bank deposits through self-application and entrusted operation, but the amount of plan assets allocated to the Consolidated Company is based on the income calculated at an interest rate not lower than the local bank's two-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government bonds/corporate bonds will increase the present value of the defined benefit obligation, with a corresponding increase in the return on investment in plan assets, both of which have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan

members' salaries will result in an increase in the present value of the defined benefit obligation.

The present value of the Consolidated Company's defined benefit obligation was actuarially determined by a qualified actuary with the following significant assumptions as of the measurement date.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.35%	1.60%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant, is as follows

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(\$ 1,210)	(\$ 1,357)
0.25% decrease	<u>\$ 1,240</u>	<u>\$ 1,393</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 1,226</u>	<u>\$ 1,379</u>
0.25% decrease	(<u>\$ 1,202</u>)	(<u>\$ 1,351</u>)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not probable.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Amount expected to be withdrawn within 1 year	<u>\$ 3,145</u>	<u>\$ 3,212</u>
Average Period of Defined Benefit Obligation to maturity	6 years	7 years

23. Equity

(1) Share capital

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized number of shares (1000 shares)	<u>150,000</u>	<u>150,000</u>
Authorized share capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued shares fully paid for (1000 shares)	<u>114,516</u>	<u>114,516</u>
Capital of issued shares	<u>\$ 1,145,160</u>	<u>\$ 1,145,160</u>

The par value of each issued common share is NT\$10. Each share has one voting right and the right to receive dividends.

(2) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Can be used to cover losses, issue cash or supplement share capital (1)</u>		
Premium from share issuance	\$ 22,142	\$ 22,142
Premium from convertible bond conversion	95,660	95,660
The conversion right shall be paid off at maturity	6,307	6,307
<u>can only be used to cover losses (2)</u>		
Changes in net equity of subsidiaries and joint ventures recognized under the equity method	<u>265</u> <u>\$ 124,374</u>	<u>265</u> <u>\$ 124,374</u>

1. Such capital surplus may be used to make up for losses, and may also be used to distribute cash or be allocated as share capital when the Company has no losses, provided that the share capital allocation is limited to a certain proportion of the paid-in capital each year.
2. For the investment under the equity method, the capital surplus due to the change of the Company's equity in subsidiaries shall not be used for any purpose other than making up losses.

(3) Retained earnings and dividend policy

According to the provisions of the earnings distribution policy in the Company's articles of association, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after making up the cumulative loss, 10% shall be set aside as the legal reserve, and the rest shall be appropriated as or reversed from special reserve according to laws and regulations. If there is still a balance, the board meeting shall formulate an earnings distribution proposal for it together with the cumulative unappropriated retained earnings, and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. If the shareholder's dividend is paid in cash, the Board is authorized to resolve the distribution with the consent of over half of the attending Directors at a meeting attended by over two-thirds of Directors, and it shall be reported to the shareholders' meeting. Please refer to note 25(7) employees' remuneration and directors' remuneration for the distribution policy of employees' remuneration and directors' remuneration stipulated in the Articles of Association.

The company's products are diversified, its profits are stable, and its financial structure is sound. The dividend policy is based on the consideration of significant expansion plans and capital expenditures in the next few years. The board of directors shall propose the actual distribution to the shareholders' meeting according to the company's operating conditions. The distribution of dividends to shareholders shall be at least 50% of the distributable earnings of the current year after deducting the legal reserve and special reserve. The cash dividend shall account for more than 20% of the total amount of dividends, but if the cash dividend per share is less than NT\$0.5 (inclusive), it may be distributed in the form of a stock dividend instead.

The legal reserve shall be allocated until its balance reaches the total paid-in share capital of the Company. The legal reserve may be used to make up for losses. When the Company has no loss, the part of the legal reserve exceeding 25% of the total paid-in share capital may be distributed in cash in addition to being appropriated as share capital.

The Company's proposal for earning distribution for 2024 and 2023 is as follows:

	2024	2023
Legal reserve	\$ 16,676	\$ 7,511
Special reserve reversed	(\$ 33,365)	\$ 1,502
Cash dividends	\$ 114,516	\$ 57,139
Cash dividend per share (NT\$)	\$ 1.00	\$ 0.55

The cash dividends have been decided to be distributed by the board meeting on March 12, 2025 and March 15, 2024, and the distribution of other earnings distribution items was resolved by the annual shareholders' meeting held on May 29, 2025 and June 24, 2024.

The Company's board meeting on March 12, 2026 proposed the following 2025 earnings distribution scheme:

	2025
Legal reserve	\$ 8,595
Special reserve	\$ 1,603
Cash dividends	\$ 45,806
Cash dividend per share (NT\$)	\$ 0.40

The above-mentioned cash dividends have been decided to be distributed by board resolution, pending the resolution of the general shareholders' meeting expected to be held on May 29, 2026.

24. Revenue

	2025	2024
Revenue from goods sold	\$ 3,594,110	\$ 3,679,001

See Note 36 for a breakdown of revenue from merchandise sales; see Note 10 and Note 21 for contract balances.

25. Net profit and other comprehensive income

(1) Interest income

	2025	2024
Bank deposits	\$ 5,500	\$ 7,650

(2)	Other income	2025	2024
	Government subsidy income (note 28)	\$ 15,682	\$ 12,462
	Dividend income	1,267	787
	Management and technical service income	905	1,008
	Rental income	160	212
	Compensation income	-	8,913
	Others	8,047	6,394
	Total	<u>\$ 26,061</u>	<u>\$ 29,776</u>
(3)	Other benefits and (loss)	2025	2024
	Net loss (profit) from financial assets and liabilities at fair value through profit or loss	(\$ 670)	\$ 2,237
	(Losses) gains from disposal of property, plant and equipment	307	(700)
	Proceeds from disposal of lease agreement benefits	-	14
	Total	<u>(\$ 363)</u>	<u>\$ 1,551</u>
(4)	Financial cost	2025	2024
	Interest on bank loan	\$ 17,816	\$ 13,423
	Convertible corporate bond interest (note 19)	-	1,246
	Interest on lease liabilities	517	476
	Total	<u>\$ 18,333</u>	<u>\$ 15,145</u>
(5)	Depreciation and amortization	2025	2024
	Property, plant and equipment	\$ 88,479	\$ 87,763
	Intangible assets	8,171	4,959
	Long-term prepaid expenses	1,398	1,364
	Right-of-use assets	10,821	10,010
	Total	<u>\$ 108,869</u>	<u>\$ 104,096</u>
	Depreciation expenses summary by function		
	Operating cost	\$ 68,073	\$ 68,408
	Operating expenses	31,227	29,365
		<u>\$ 99,300</u>	<u>\$ 97,773</u>

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	2025	2024
Amortized expenses summary by function		
Operating cost	\$ 324	\$ 517
Operating expenses	<u>9,245</u>	<u>5,806</u>
	<u>\$ 9,569</u>	<u>\$ 6,323</u>

Please refer to Note 16 for the allocation of amortization expenses of intangible assets to each single line item.

(6) Employee benefits	2025	2024
Short-term employee benefits		
Salary expense	\$ 419,439	\$ 411,581
Labor and health insurance expenses	<u>45,316</u>	<u>41,503</u>
	<u>464,755</u>	<u>453,084</u>
Post retirement benefits (Note 22)		
Defined contribution plan	26,697	22,902
Defined benefit plan	(<u>197</u>)	<u>637</u>
	<u>26,500</u>	<u>23,539</u>
Other employee benefits	<u>23,700</u>	<u>24,197</u>
Total employee benefit expenses	<u>\$ 514,955</u>	<u>\$ 500,820</u>
Summary by function		
Operating cost	\$ 173,846	\$ 167,326
Operating expenses	<u>341,109</u>	<u>333,494</u>
	<u>\$ 514,955</u>	<u>\$ 500,820</u>

(7) Remuneration payable to employees and directors

In accordance with the Articles of Association, after making up the losses with the before-tax net profit of the current year, the Company appropriates 1% to 10% of the balance as the employees' remuneration, and no more than 3% as the directors' remuneration. According to the amendments to the Securities and Exchange Act in August 2024, the Company approved the amended Articles of Incorporation through the resolution at the 2025 shareholders' meeting that set out that no less than 20% of the total remuneration of employees appropriated for the year shall be remuneration of non-executive employees. The estimated employees' remuneration (including non-executive employees' remuneration) and directors' remuneration for 2025 and 2024 were resolved by the board meeting on March 12, 2026 and March 12, 2025 as follows:

Estimated proportion

	2025	2024
Employees' remuneration	6%	6%
Directors' remuneration	2%	2%

Amount

	Cash	
	2025	2024
Employees' remuneration	\$ 6,612	\$ 10,704
Directors' remuneration	2,204	3,568

If there is any change in the amount of the annual consolidated financial statements after the date of issuance, it shall be handled according to the change in accounting estimates and recorded in the next year.

There is no difference between the actual distribution amount of employees' remuneration and directors' remuneration in 2024 and 2023, and the amount recognized in the consolidated financial statements in 2024 and 2023.

For information on the employees' remuneration and directors' remuneration resolved by the board of directors' meetings, please visit "MOPS" of the Taiwan Stock Exchange.

26. Income tax

(1) Income tax recognized in income

The major components of income tax expense are as follows:

	2025	2024
Income tax of the current period		
Generated in the current period	\$ 50,181	\$ 64,379
Surtax on unappropriated retained earnings	-	448
Adjustment for previous years	(4,208)	(3,606)
	<u>45,973</u>	<u>61,221</u>
Deferred income tax		
Generated in the current period	3,135	(10,617)
Adjustment for previous years	(151)	(12,214)
	<u>2,984</u>	<u>(22,831)</u>
Income tax expenses recognized in income	<u>\$ 48,957</u>	<u>\$ 38,390</u>

The adjustment of accounting income to income tax expense is as follows:

	2025	2024			
Net profit before tax	<u>\$ 134,354</u>	<u>\$ 203,977</u>			
Income tax expense on net income before income tax at statutory tax rate	\$ 58,717	\$ 72,325			
Non-deductible expenses for tax purposes	7,368	6,587			
Tax exempt income	306	(3,117)			
Surtax on unappropriated retained earnings	-	448			
Unrecognized deductible temporary differences	(12,117)	(23,651)			
Unrecognized loss carry forward	(305)	-			
Adjustment of income tax for previous years	(4,359)	(15,820)			
Others	(<u>653</u>)	<u>1,618</u>			
Income tax expenses recognized in income	<u>\$ 48,957</u>	<u>\$ 38,390</u>			
(2) Income tax recognized in other comprehensive income	2025	2024			
<u>Deferred income tax</u>					
Generated in the current period					
-Remeasurements of defined benefits plans	(\$ 203)	(\$ 1,430)			
-Conversion of foreign operating organizations	<u>401</u>	(<u>8,341</u>)			
	<u>\$ 198</u>	(<u>\$ 9,771</u>)			
(3) Current income tax liabilities	December 31, 2025	December 31, 2024			
Current income tax liabilities					
Income tax payable	<u>\$ 32,981</u>	<u>\$ 28,581</u>			
(4) Deferred income tax assets and liabilities					
Changes in deferred income tax assets and liabilities:					
<u>2025</u>					
	Beginning balance	Recognized in income	Recognized as Other comprehensive income	Exchange differences	Ending balance
<u>Deferred income tax assets</u>					
Temporary differences					
Gross profit on unrealized sales	\$ 864	\$ 107	\$ -	\$ -	\$ 971
Leave payment payable	1,813	237	-	6	2,056
Actuarial profit and loss	1,157	-	(203)	-	954

(Continue)

(Continue)

	Beginning balance	Recognized in income	Recognized as Other comprehensive income	Exchange differences	Ending balance
Provision for loss	\$ 5,162	\$ 1,122	\$ -	\$ 25	\$ 6,309
Provisions for loss from inventory falling price and dead stock	7,673	(464)	-	31	7,240
Exchange differences in foreign operating organizations	7,381	-	401	-	7,782
Others	<u>1,095</u>	<u>633</u>	<u>-</u>	<u>-</u>	<u>1,728</u>
	<u>\$ 25,145</u>	<u>\$ 1,635</u>	<u>\$ 198</u>	<u>\$ 62</u>	<u>\$ 27,040</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Investment under the equity method	\$ 42,700	\$ 4,405	\$ -	\$ -	\$ 47,105
Provision for land appreciation tax	9,558	-	-	-	9,558
Defined benefit retirement plan	3,843	869	-	-	4,712
Tax difference of fixed asset depreciation	3,929	(655)	-	13	3,287
Others	<u>3,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,606</u>
	<u>\$ 63,636</u>	<u>\$ 4,619</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 68,268</u>

2024

	Beginning balance	Recognized in income	Recognized as Other comprehensive income	Exchange differences	Ending balance
<u>Deferred income tax assets</u>					
Temporary differences					
Gross profit on unrealized sales	\$ 655	\$ 209	\$ -	\$ -	\$ 864
Leave payment payable	1,643	146	-	24	1,813
Actuarial profit and loss	2,587	-	(1,430)	-	1,157
Provision for loss	3,422	1,715	-	25	5,162
Provisions for loss from inventory falling price and dead stock	3,132	4,511	-	30	7,673
Exchange differences in foreign operating organizations	15,722	-	(8,341)	-	7,381
Others	<u>3,349</u>	<u>(2,265)</u>	<u>-</u>	<u>11</u>	<u>1,095</u>
	<u>\$ 30,510</u>	<u>\$ 4,316</u>	<u>(\$ 9,771)</u>	<u>\$ 90</u>	<u>\$ 25,145</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Investment under the equity method	\$ 61,270	(\$ 18,570)	\$ -	\$ -	\$ 42,700
Provision for land appreciation tax	9,558	-	-	-	9,558
Defined benefit retirement plan	3,145	698	-	-	3,843
Tax difference of fixed asset depreciation	4,295	(643)	-	277	3,929
Others	<u>3,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,606</u>
	<u>\$ 81,874</u>	<u>(\$ 18,515)</u>	<u>\$ -</u>	<u>\$ 277</u>	<u>\$ 63,636</u>

(5) Approved income tax situation

The profit-seeking enterprise income tax returns of the Company and subsidiary Tex Year Minima have been approved by the tax collection authority as of the year 2023.

27. Earnings per share

	2025	Unit: NT\$ per share 2024
Basic earnings per share	<u>\$ 0.74</u>	<u>\$ 1.50</u>
Diluted earnings per share	<u>\$ 0.74</u>	<u>\$ 1.41</u>

The earnings used for calculating earnings per share and weighted average number of common shares are as follows:

Net profit of the current period

	2025	2024
Net profit used to calculate basic earnings per share	\$ 85,139	\$ 161,039
Effect of potential common stock with dilution:		
After-tax interest on convertible bonds	<u>-</u>	<u>997</u>
Net profit used to calculate diluted earnings per share	<u>\$ 85,139</u>	<u>\$ 162,036</u>

Number of shares Unit: thousand shares

	2025	2024
To calculate the weighted average number of shares of common stock for basic earnings per share	114,516	107,479
Effect of potential common stock with dilution:		
Corporate bond conversion	-	7,099
Employees' remuneration	<u>541</u>	<u>654</u>
To calculate the weighted average number of shares of common stock for diluted earnings per share	<u>115,057</u>	<u>115,232</u>

Suppose the consolidated company has the option to pay employees' remuneration in shares or cash. In that case, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be issued in shares. The weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common shares are diluted. When calculating the diluted earnings per share before the issuance of employees' remuneration shares in the next annual resolution, the dilution effect of such potential common shares shall also be considered.

28. Government subsidy

The Consolidated Company recognized subsidy income of NT\$14,495 thousand and NT\$9,819 thousand in 2025 and 2024 according to the subsidy approval letters of Gong-Yan-Cai-Zi No. 1130024064 and No. 1141005317 from the ITRI due to the implementation of the low-carbon transformation promotion project for the petrochemical industry and R&D innovation project consigned by the Ministry of Economic Affairs in November 2024.

29. Capital risk management

The purpose of the company's capital management policy is to protect the company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other equity interest holders as much as possible. To ensure that the above objectives are achieved, the consolidated company must maintain a large amount of capital to meet the needs of the expansion and upgrading of plant and equipment. Therefore, the capital management of the Consolidated Company is to ensure that necessary financial resources and operation plans are available to meet the needs of working capital, capital expenditure, research and development expenses, debt repayment and dividend expenditure in the next 12 months. The consolidated company is not subject to other external capital requirements.

30. Financial Instruments

- (1) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Limited partnership funds	\$ <u>-</u>	\$ <u>-</u>	\$ <u>39,178</u>	\$ <u>39,178</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Limited partnership funds	\$ <u>-</u>	\$ <u>-</u>	\$ <u>37,791</u>	\$ <u>37,791</u>

There was no transfer between Level 1 and Level 2 fair value measurements in 2025 and 2024.

2. Adjustment of financial instruments measured at level 3 fair value

Measure at fair value through profit or loss -
limited partnership funds

Financial asset	2025	2024
Beginning balance	\$ 37,791	\$ 23,476
Disposal	(1,586)	(762)
Purchase	4,500	12,840
Recognized in income	(1,527)	2,237
Ending balance	<u>\$ 39,178</u>	<u>\$ 37,791</u>

3. Evaluation technology and input value of level 3 fair value measurement

Limited partnership funds are evaluated using the asset method, and their fair value is determined by reference to the latest net value of the investee companies/investment objects and the financial and operating conditions of the observable companies; the fair value of such investments will increase as the liquidity discount decreases.

(3) Types of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial asset</u>		
Measured at fair value through profit and loss	\$ 39,178	\$ 37,791
Measured at cost after amortization (note 1)	1,358,747	1,379,588
<u>Financial liability</u>		
Measured at cost after amortization (note 2)	1,518,996	1,218,488

Note 1: Balance refers to financial assets measured at cost after amortization, including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including those of related parties), other receivables (including those of related parties, excluding tax refunds receivable) and refundable deposits.

Note 2: The balance includes short-term loans, notes payable, accounts payable (including related parties), other accounts payable (including related parties), long-term loans (including the part due within one year) and guarantee deposits and other financial liabilities measured at amortized cost.

(4) Purpose and policy of financial risk management

The main financial instruments of the consolidated company include equity investment, accounts receivable, accounts payable, corporate bonds payable, loans and lease liabilities. The financial management department of the consolidated company provides services for all business units, coordinates the entry into domestic and international financial markets, and supervises and manages the financial risks related to the operation of the consolidated company by analyzing the internal risk report of the exposure according to the risk level and breadth. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risk caused by the operating activities of the consolidated company to the consolidated company is the foreign currency exchange rate change risk (refer to (1) below) and the interest rate change risk (refer to (2) below).

There is no change in the exposure of the consolidated company to the market risk of financial instruments and the management and measurement of such exposure.

(1) Exchange rate risk

Part of the cash inflow and outflow of the consolidated company is in foreign currency, so it has the effect of natural hedging; the exchange rate risk management of the consolidated company is for the purpose of hedging, not for the purpose of profit.

Please refer to note 34 for the carrying value of monetary assets and monetary liabilities (including monetary items written off under non-functional currency in the consolidated financial statements) of the consolidated company denominated in non-functional currency on the balance sheet date.

Sensitivity analysis

The Consolidated Company is mainly affected by the exchange rate fluctuations of the USD, RMB, EUR, and JPY.

The table below details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan dollar (functional currency) changes 1% against relevant foreign currencies. The sensitivity analysis only includes the monetary items that are in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive numbers in the following table represent the amount of net profit before tax that will increase when NT\$ depreciates by 1% relative to each foreign currency; when NT\$ appreciates by 1% relative to each relevant foreign currency, its impact on the net profit before tax will be a negative number of the same amount.

	<u>The effect of USD/RMB/EUR/JPY (note)</u>	
	<u>2025</u>	<u>2024</u>
Profit and loss	\$ 3,296	\$ 3,370

Note: It mainly comes from the consolidated company's cash and cash equivalents, accounts receivable, other receivables, short-term loans, accounts payable and other payables denominated in foreign currencies that are still outstanding on the balance sheet date without cash flow hedging.

The management believes that the sensitivity analysis cannot represent the inherent risk of exchange rate, because the foreign currency exposure on the balance sheet date cannot reflect the medium-term exposure. Therefore, the management will still conduct exchange rate risk management in accordance with the policies of the consolidated company.

(2) Interest rate risk

Interest rate exposure is caused by the fact that entities in the consolidated company borrow funds at fixed and floating rates and hold current and foreign currency bank deposits. The management of the consolidated company shall regularly monitor the interest rate risk. If required, necessary measures shall be taken for significant interest rate risks to control risks arising from the change of market interest rate.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest rate risks with fair value		
- Financial assets	\$ 109,344	\$ 203,123
- Financial liabilities	683,696	557,237
Interest rate risks with cash flow		
- Financial assets	481,043	409,761
- Financial liabilities	392,060	150,953

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, it is assumed that the amount of assets and liabilities outstanding on the balance sheet date is also outstanding during the reporting period.

If the interest rate increases/decreases by 0.1% and all other variables remain unchanged, the pre-tax net profit of the Consolidated Company in 2025 and 2024 will increase/decrease by NT\$89 thousand and NT\$259 thousand, respectively, mainly due to the interest rate risk of floating interest rate assets and liabilities of the Consolidated Company.

2. Credit risk

Credit risk refers to the risk of financial loss of the consolidated company caused by default of contractual obligations of the counterparty. As of the balance sheet date, the maximum credit risk exposures (excluding collateral or other credit enhancement tools, and the maximum amount of irrevocable exposure) of the consolidated company that may cause financial losses due to the failure of the counterparty and the financial guarantee provided by the consolidated company mainly come from:

- (1) Book value of financial assets recognized in the consolidated balance sheet.
- (2) The maximum amount that the Consolidated Company may be required to pay for the provision of financial guarantees, regardless of the likelihood of occurrence.

Operation related credit risk and financial risk are managed separately.

Operation related credit risk

In order to maintain the quality of accounts receivable, the consolidated company has established operations related procedures for credit risk management.

The risk assessment of an individual customer is to consider many factors that may affect the customer's ability to pay, including the customer's financial status, the credit rating by credit rating agencies, the consolidated company's internal credit rating, the historical transaction records and current economic conditions. The consolidated company will also use certain credit enhancement tools, such as advance payment, at the appropriate time to reduce the credit risk of specific customers.

Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the consolidated company. Since the trading partners and performing parties of the consolidated company are all banks and financial institutions with good credit, company organizations and government agencies which have no significant performance concern, there is no significant credit risk.

3. Liquidity risk

The objective of the consolidated company on the management of the liquidity risk is to maintain the cash and cash equivalents, high liquidity securities and sufficient bank credit facilities required for operation, so as to ensure that the consolidated company has sufficient financial flexibility.

The consolidated company shall regularly review the inventory level, turnover rate of various types of inventory, credit conditions of customers and turnover rate of accounts receivable to control the size of working capital. The cash and cash equivalent level of the group remains moderately loose, and funds are raised in advance according to capital demand and a low debt ratio and financial flexibility are maintained, so as to effectively control the liquidity risk.

(1) Statement of liquidity and interest rate risk of non-derivative financial liabilities

The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flow (including principal and estimated interest) of financial liabilities on the earliest possible repayment date of the consolidated company. Therefore, the series of bank loans that the consolidated company may be required to repay immediately shall not take into account the probability of the bank executing the right immediately in the earliest period in the table below; the maturity analysis of other non-derivative financial liabilities shall be prepared according to the agreed repayment date.

December 31, 2025

	Less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>						
No-interest bearing liabilities	\$ 256,721	\$ 114,705	\$ 119,298	\$ -	\$ -	\$ 490,724
Lease liabilities	579	1,555	4,432	7,758	-	14,324
Floating rate liabilities	42,025	9,677	39,668	272,894	61,570	425,834
Fixed rate liabilities	<u>205,175</u>	<u>249,680</u>	<u>217,939</u>	<u>-</u>	<u>-</u>	<u>672,794</u>
	<u>\$ 504,500</u>	<u>\$ 375,617</u>	<u>\$ 381,337</u>	<u>\$ 280,652</u>	<u>\$ 61,570</u>	<u>\$ 1,603,676</u>

December 31, 2024

	Less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>						
No-interest bearing liabilities	\$ 276,564	\$ 152,550	\$ 119,998	\$ 896	\$ -	\$ 550,008
Lease liabilities	606	1,506	5,076	5,214	-	12,402
Floating rate liabilities	-	8,528	25,472	84,194	43,376	161,570
Fixed rate liabilities	<u>90,103</u>	<u>160,551</u>	<u>299,056</u>	<u>-</u>	<u>-</u>	<u>549,710</u>
	<u>\$ 367,273</u>	<u>\$ 323,135</u>	<u>\$ 449,602</u>	<u>\$ 90,304</u>	<u>\$ 43,376</u>	<u>\$ 1,273,690</u>

(2) Credit facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank credit facilities		
- Amount used	\$ 1,158,641	\$ 813,215
- Amount unused	<u>860,635</u>	<u>856,116</u>
	<u>\$ 2,019,276</u>	<u>\$ 1,669,331</u>

(5) Information on the transfer of financial assets

The Consolidated Company made an endorsement for the transfer of a part of its bank acceptance bills receivable in Mainland China to its suppliers to pay accounts payable. As nearly all risks and compensation of such notes are transferred, the Consolidated Company derecognized the bank acceptance bills receivable transferred and the corresponding accounts payable. However, if such derecognized bank acceptance bills cannot be cashed upon maturity, suppliers are entitled to require the Consolidated Company for settlement; therefore, the Consolidated Company continues to participate in such notes.

The maximum loss exposure of the Consolidated Company in continuing participation in the derecognized bank acceptance bills is the par value of the bank acceptance bills transferred but not yet due. As of December 31, 2025 and December 31, 2024, the amount was NT\$42,225 thousand and NT\$57,559 thousand, respectively, and such notes will fall due within five months from the balance sheet date. Considering the credit risks of the derecognized bank acceptance bills, the Consolidated Company assessed that the fair value of its continuing participation is insignificant.

From January 1 to December 31, 2025 and 2024, the Consolidated Company did not recognize any profit or loss when transferring bank acceptance bills receivable, and it has not recognized any profit or loss for the continuing participation in such notes during the period or in accumulation.

31. Related party transactions

Transactions, account balances, gains and expenses between the Consolidated Company and its subsidiaries (which are related parties of the Consolidated Company) are eliminated in full at the time of consolidation, so they are not disclosed in this note. The transactions between the consolidated company and other related parties are as follows:

(1) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Adhesive Technologies, Inc. (Adhesive Technologies)	Corporate director of the Company
Huzhou Xiling Tech Ltd. (Huzhou Xiling)	Affiliated enterprise
Tex Year Industrial Adhesives Pvt. Ltd. (Tex Year Industrial Adhesives)	Joint venture
Tex Year Technologies India Private Limited (Tex Year Technologies India)	Subsidiary under joint investments
Wood Glue Industrial Co., Ltd.	The chairman of the company is a director of this company.
Taicera Enterprise Company	The chairman of the company is a director of this company.
JPT Corporation	The chairman of the company is a director of this company.
Vic Hung Petroleum Chemical Co., Ltd	The chairman of the company is a director of our Company.
Tex Year Social Welfare Association	Other related parties

(2) Operating income

Account items	Category/name of related party	2025	2024
Sales revenue	Corporate director of the Company		
	Adhesive Technologies	\$ 94,773	\$ 82,701
	Joint venture		
	Tex Year Industrial Adhesives	996	25,531
	Subsidiary under joint investments		
	Tex Year Technologies India	35,932	2,845
	Affiliated enterprise	1,345	1,259
	The chairman of the company is a director of this company.	124	642
	Other related parties	-	5
		<u>\$ 133,170</u>	<u>\$ 112,983</u>

For related parties, except part of the products which have the same selling prices as those of general customers, the selling prices of other products are increased by a certain proportion according to the product type and cost and based on the individual credit conditions of related parties.

(3) Purchase

Category/name of related party	2025	2024
The chairman of the company is a director of the Consolidated Company	\$ 404	\$ 16
Affiliated enterprise	982	1,041
	<u>\$ 1,386</u>	<u>\$ 1,057</u>

The purchase price of related parties is equal to that of general manufacturers, and a certain proportion increases the remaining purchase price.

(4) Receivables from related parties

Account items	Category/name of related party	December 31, 2025	December 31, 2024
Accounts receivable due from related parties	Corporate director of the Consolidated Company		
	Adhesive Technologies	\$ 32,976	\$ 23,686
	Joint venture		
	Tex Year Industrial Adhesives	397	16,265
	Subsidiary under joint investments		
	Tex Year Technologies India	27,305	2,872
	The chairman of the company is a director of the Consolidated Company.	<u>29</u>	<u>32</u>
		<u>\$ 60,707</u>	<u>\$ 42,855</u>

The consolidated company sells goods to the corporate director of the Company, and the term of collection is 90-day T/T remittance upon arrival of goods; the consolidated company sells goods to the joint venture partner, and the term of collection is 90-day T/T remittance upon arrival of goods.

No guarantee was collected for outstanding amounts receivable from related parties, and a loss allowance for the amounts receivable from related parties in the amount of NT\$938 thousand and NT\$516 thousand was recognized in 2025 and 2024, respectively.

(5) Payables to related parties (December 31, 2024: None).

Account items	Category/name of related party	December 31, 2025
Accounts payable - related parties	The chairman of the company is a director of this company.	<u>\$ 423</u>

The Consolidated Company purchases from substantive related parties, and the payment term is 60 days monthly settlement.

Guarantees for the balance of outstanding payables to related parties are not collected.

(6) Endorsements and guarantees
Endorsements/guarantees for others

Category/name of related party	December 31, 2025	December 31, 2024
Subsidiary under joint investments		
Tex Year Technologies India		
Secured by property	\$ 15,700	\$ 50,465
Actual drawdown amount	(<u>15,700</u>)	(<u>50,465</u>)
	<u>\$ -</u>	<u>\$ -</u>

(7) Others

The balance of other receivables from related parties on the balance sheet date is as follows:

<u>Category/name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Joint venture		
Tex Year Industrial		
Adhesives	\$ 610	\$ 736
Subsidiary under joint		
investments	35	24
Affiliated enterprise		
Huzhou Xiling	<u>3,658</u>	<u>2,383</u>
	<u>\$ 4,303</u>	<u>\$ 3,143</u>

Other receivables are payments and advances on behalf of others for the Consolidated Company to provide technical management services. In 2025 and 2024, a loss allowance of other receivables from related parties in the amount of NT\$483 thousand and NT\$196 thousand were provided.

The balance of other payables to related parties on the balance sheet date is as follows:

<u>Category/name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The chairman of the company		
is a director of this company.	<u>\$ 59</u>	<u>\$ 24</u>

Management and technical service fee income (posted under other income) is as follows:

<u>Category/name of related party</u>	<u>2025</u>	<u>2024</u>
Joint venture		
Tex Year Industrial		
Adhesives	<u>\$ 905</u>	<u>\$ 1,008</u>

Manufacturing expenses: (2024: None):

<u>Category/name of related party</u>	<u>2025</u>
The chairman of the company	
is a director of this company.	<u>\$ 542</u>

Operating expenses:

<u>Category/name of related party</u>	<u>2025</u>	<u>2024</u>
The chairman of the company		
is a director of this company.	<u>\$ -</u>	<u>\$ 201</u>

(8) Remuneration of key management

	2025	2024
Short-term employee benefits	\$ 34,621	\$ 41,064
Post-employment benefits	<u>1,739</u>	<u>1,924</u>
	<u>\$ 36,360</u>	<u>\$ 42,988</u>

The compensation of directors and other key management is determined by the Compensation Committee in accordance with individual performance and market trends.

32. Pledged assets

The following assets of the consolidated company are provided as collateral for bank loans and letters of credit:

	December 31, 2025	December 31, 2024
Land	\$ 258,231	\$ 101,926
Buildings and construction - net	494,699	421,415
Non-current financial assets at amortized cost	<u>-</u>	<u>39,425</u>
	<u>\$ 752,930</u>	<u>\$ 562,766</u>

33. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except as stated in other notes, the consolidated company has the following major commitments and contingencies on the balance sheet date:

- (1) As of December 31, 2025 and 2024, the Consolidated Company had issued unused letters of credit of NT\$41,872 thousand and NT\$40,500 thousand, respectively.
- (2) The Consolidated Company appointed banks as the guarantor of performance, customs duty and goods tax bookkeeping. The guarantee amounts as of December 31, 2025 and 2024 were NT\$17,000 thousand and NT\$26,000 thousand, respectively.

34. Information on foreign currency financial assets and liabilities with significant impact

The following information is summarized and expressed in foreign currencies other than the functional currencies of each entity of the consolidated company. The disclosed exchange rate refers to the exchange rate converted from such foreign currencies to the functional currencies. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2025

	Foreign currency	Exchange rate	Functional currency	NTD
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 5,830	31.4000 (USD: NTD)	\$ 183,063	\$ 183,063
USD	739	7.7834 (USD: HKD)	5,754	23,240
USD	2,153	26,166.67 (USD: VND)	56,323,972	67,589
USD	2,655	7.0288 (USD: RMB)	18,663	83,948
EUR	1,417	36.9800 (EUR: NTD)	52,410	52,410
EUR	885	4.2267 (EUR: PLN)	3,742	32,669
EUR	62	8.2355 (EUR: RMB)	513	2,309
JPY	114,205	0.2016 (JPY: NTD)	23,024	23,024
JPY	6,844	0.0448 (JPY: RMB)	307	1,379
JPY	146,487	0.0495 (JPY: HKD)	7,251	29,287
RMB	9,973	4.4980 (RMB: NTD)	44,859	44,859
RMB	175	1.1138 (RMB: HKD)	195	786
GBP	30	42.4600 (GBP: NTD)	1,254	1,254
				<u>\$ 545,817</u>
<u>Non-monetary items</u>				
Joint venture under the equity method				
INR	148,242	0.3492 (INR: NTD)	51,766	<u>\$ 51,766</u>
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	1,175	31.4000 (USD: NTD)	36,904	\$ 36,904
USD	225	7.7834 (USD: HKD)	1,751	7,073
USD	1,266	26,166.67 (USD: VND)	33,121,292	39,746
USD	1,621	7.0288 (USD: RMB)	11,390	51,234
EUR	1,424	4.2267 (EUR: PLN)	6,018	52,543
JPY	19,323	0.0495 (JPY: HKD)	956	3,863
JPY	6,023	168.0000 (JPY: VND)	1,011,842	1,214
JPY	80,277	0.0448 (JPY: RMB)	3,596	16,176
RMB	1,199	4.4980 (RMB: NTD)	5,394	5,394
RMB	174	1.1138 (RMB: HKD)	194	784
GBP	107	42.4600 (GBP: NTD)	4,563	4,563
				<u>\$ 219,494</u>

December 31, 2024

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 6,010	32.7100 (USD: NTD)	\$ 196,573	\$ 196,573
USD	1,295	7.7634 (USD: HKD)	10,051	42,384
USD	202	25,161.54 (USD: VND)	5,093,193	6,621
USD	1,629	7.1884 (USD: RMB)	11,712	52,410
EUR	3,059	34.1100 (EUR: NTD)	104,341	104,341
EUR	588	4.2730 (EUR: PLN)	2,514	20,058
EUR	56	7.5257 (EUR: RMB)	425	1,902
JPY	206,294	0.2075 (JPY: NTD)	42,806	42,806
JPY	14,360	0.0462 (JPY: RMB)	664	2,971
JPY	156,147	0.0494 (JPY: HKD)	7,714	32,529
RMB	12,565	4.4750 (RMB: NTD)	56,228	56,228
RMB	202	1.0644 (RMB: HKD)	215	906
GBP	43	41.1400 (GBP: NTD)	1,786	1,786
				<u>\$ 561,515</u>
<u>Non-monetary items</u>				
Joint venture under the equity method				
INR	126,682	0.3835 (INR: NTD)	48,583	<u>\$ 48,583</u>
Foreign currency liabilities				
<u>Monetary items</u>				
USD	1,294	32.7100 (USD: NTD)	42,340	\$ 42,340
USD	269	7.7634 (USD: HKD)	2,086	8,798
USD	731	25,161.54 (USD: VND)	18,395,588	23,914
USD	1,417	7.1884 (USD: RMB)	10,189	45,597
EUR	1,745	4.2730 (EUR: PLN)	7,458	59,507
JPY	7,232	0.2075 (JPY: NTD)	1,501	1,501
JPY	79,955	0.0494 (JPY: HKD)	3,950	16,656
JPY	3,973	159.6154 (JPY: VND)	634,131	824
JPY	99,924	0.0462 (JPY: RMB)	4,620	20,674
RMB	509	4.4750 (RMB: NTD)	2,277	2,277
RMB	149	1.0644 (RMB: HKD)	159	669
GBP	48	41.1400 (GBP: NTD)	1,965	1,965
				<u>\$ 224,722</u>

The foreign currency exchange loss (gain) of the Consolidated Company in 2025 and 2024 were gains of NT\$2,836 thousand and gains of NT\$9,658 thousand, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group's entities, it is impossible to disclose the exchange gains and losses by each foreign currency with significant impacts.

35. Disclosures in Notes

- (1) Significant Transactions:
 - 1. Loan of funds to others (Table 1).
 - 2. Endorsements/guarantees for others (Table 2).
 - 3. Material securities held at the end of the period (excluding investment in subsidiaries and affiliated enterprises and equity of joint ventures) (Table 3).
 - 4. The amount of purchases and sales with related parties reaches NT\$100 million or 20% of the paid-in capital: (Table 4).
 - 5. Receivables from related parties reach NT\$100 million or more than 20% of paid-in capital: None.
 - 6. Others: business relationship between parent and subsidiary companies and among subsidiaries, as well as important transactions and amounts (Table 5).
- (2) Information on Investees (Table 6).
- (3) Mainland China Investment Information:
 - 1. Name of the invested company in mainland China, main business items, paid-in capital, investment method, capital emitted in and out, shareholding ratio, investment profit and loss, period-end investment carrying amount, repatriated investment profit or loss and investment limit in mainland China (Table 7).
 - 2. Major transactions with the mainland China invested company directly or indirectly through a third region, and their prices, payment terms, unrealized profits and losses: (Table 1, Table 2, Table 4, and Table 5)
 - (1) Purchase amount and percentage, and period-end balance and percentage of related payables.
 - (2) Amount and percentage of goods sold, and period-end balance and percentage of related receivables.
 - (3) The amount of asset transaction and the profit or loss arising therefrom.
 - (4) The period-end balance and the purpose of bill endorsement/guarantee or provision of collateral.
 - (5) The maximum balance of financing, the period-end balance, the interest rate range and the total interest of the current period.
 - (6) Other transactions that have a significant impact on the current income or financial position.

36. Segment Information

In accordance with the provisions of IFRS 8 “Operating segments,” the reporting segments of the Company and its subsidiaries shall include a total of three segments, including the chemical business in Taiwan, the mainland China business and others.

(1) Segment revenue and operating results

The revenue and operating results of the consolidated company are analyzed according to the reporting segment as follows:

	Taiwan	Mainland China	Others	Adjustments and write-offs	Total
<u>2025</u>					
Revenue from external customers	\$ 1,161,857	\$ 2,022,904	\$ 409,349	\$ -	\$ 3,594,110
Intersegmental revenue	<u>181,937</u>	<u>648,808</u>	<u>55,133</u>	<u>(885,878)</u>	<u>-</u>
Total revenue	<u>\$ 1,343,794</u>	<u>\$ 2,671,712</u>	<u>\$ 464,482</u>	<u>(\$ 885,878)</u>	<u>\$ 3,594,110</u>
Segment income	<u>(\$ 16,250)</u>	<u>\$ 146,576</u>	<u>(\$ 173)</u>		\$ 130,153
Share of joint venture income under the equity method					<u>4,201</u>
Net profit before tax					<u>\$ 134,354</u>
<u>2024</u>					
Revenue from external customers	\$ 1,147,742	\$ 2,108,360	\$ 422,899	\$ -	\$ 3,679,001
Intersegmental revenue	<u>169,157</u>	<u>645,301</u>	<u>36,298</u>	<u>(850,756)</u>	<u>-</u>
Total revenue	<u>\$ 1,316,899</u>	<u>\$ 2,753,661</u>	<u>\$ 459,197</u>	<u>(\$ 850,756)</u>	<u>\$ 3,679,001</u>
Segment income	<u>\$ 6,032</u>	<u>\$ 176,111</u>	<u>\$ 16,609</u>		\$ 198,752
Share of joint venture income under the equity method					<u>5,225</u>
Net profit before tax					<u>\$ 203,977</u>

Segment profit refers to the profit earned by each segment, excluding the share of profit (loss) of associates and joint ventures accounted for using the equity method and income tax expenses that are to be apportioned. This measured amount is to serve as a reference to key operational decision makers to allocate resources to segments and assess their performance.

(2) Total segment assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Segment assets</u>		
Segments with continuing business		
Notes receivable		
- Taiwan	\$ 8,186	\$ 8,982
- Mainland China	<u>14,051</u>	<u>12,013</u>
	<u>22,237</u>	<u>20,995</u>
Accounts receivable		
- Taiwan	132,771	151,910
- Mainland China	462,542	476,177
- Others	<u>67,960</u>	<u>46,547</u>
	<u>663,273</u>	<u>674,634</u>

(Continue)

(Continue)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable due from related parties		
- Taiwan	\$ 60,678	\$ 42,823
- Mainland China	-	-
- Others	<u>29</u>	<u>32</u>
	<u>60,707</u>	<u>42,855</u>
Inventories		
- Taiwan	144,269	172,517
- Mainland China	271,250	273,390
- Others	<u>117,479</u>	<u>135,348</u>
	<u>532,998</u>	<u>581,255</u>
Property, plant and equipment		
- Taiwan	731,206	496,586
- Mainland China	320,258	328,023
- Others	<u>152,661</u>	<u>128,878</u>
	<u>1,204,125</u>	<u>953,487</u>
Total unamortized assets	<u>987,000</u>	<u>913,366</u>
Total assets	<u>\$ 3,470,340</u>	<u>\$ 3,186,592</u>

For the purposes of supervision of segmental performance and the allocation of resources to segments, except for cash and cash equivalents, current and non-current financial assets at fair value through profit or loss, current and non-current financial assets at amortized cost, other receivables (including those of related parties), other current assets, non-current financial assets at fair value through other comprehensive income, investments accounted for using the equity method, intangible assets, right-of-use assets, deferred income tax assets, prepayments for business facilities, and other non-current assets, all other assets shall be allocated to the respective segment to be reported. The assets shared by the reporting segments are to be shared based on the income earned by each reporting segment.

(3) Revenue from major products and services

An analysis of the Consolidated Company's major product revenues is as follows:

	<u>2025</u>	<u>2024</u>
Hot melt adhesives	\$ 2,651,583	\$ 2,796,421
Other adhesives	582,368	572,933
Others	<u>360,159</u>	<u>309,647</u>
	<u>\$ 3,594,110</u>	<u>\$ 3,679,001</u>

(4) Regional information

The consolidated company operates primarily in Taiwan and Asia.

The consolidated company's revenue from external customers by location of sales and non-current assets by location of assets are as follows:

	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	\$ 568,782	\$ 530,837	\$ 754,835	\$ 521,943
Asia	2,282,299	2,396,488	641,180	422,319
Europe	255,806	279,589	15,921	125,185
America	293,707	314,259	-	-
Others	193,516	157,828	-	-
	<u>\$ 3,594,110</u>	<u>\$ 3,679,001</u>	<u>\$ 1,411,936</u>	<u>\$ 1,069,447</u>

Non-current assets do not include investments classified as using the equity method, financial assets at fair value through profit or loss – non-current, financial assets measured at fair value through other comprehensive income – non-current, financial assets measured at amortized cost – non-current and deferred income tax assets.

(5) Major client information

In 2025 and 2024, there was no revenue from any other single customer reaching more than 10% of the total revenue of the Consolidated Company.

Tex Year Industries Inc. and Subsidiaries
Loans of funds to others
2025

Table 1

Unit: NT\$ thousand unless otherwise specified.

Serial No. (Note 1)	Lending company	Loan recipient	Transaction item (Note 2)	Related party or not	Maximum balance of the current period (Note 3)	Closing balance (Note 8)	Actual drawdown amount	Interest rate range	Loan nature (Note 4)	Business transaction amount (Note 5)	Reason for short-term financing (Note 6)	Provision for bad debts	Collateral		Loans and limits to individual objects (Note 7)	Loans and total limit (Note 7)	Remarks
													Name	Value			
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o.o.	Other receivables - related party - other	Yes	\$ 76,000	\$ 76,000	\$ -	2.5%~3%	Short-term financing funds	\$ -	Operation turnover	\$ -	-	-	\$ 325,139	\$ 650,278	
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	Other receivables - related party - other	Yes	93,000	93,000	-	2.5%~3%	Short-term financing funds	-	Operation turnover	-	-	-	325,139	650,278	

- Note 1: The description of the number column is as follows:
(1) Fill in 0 for the issuer.
(2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.
- Note 2: This field must be filled in for accounts receivable from affiliated enterprises, receivables from related parties, transactions with shareholders, prepayments, temporary debits, etc., if the nature is a loan to others.
- Note 3: The maximum balance of loans to others in the current year.
- Note 4: The loan nature shall be filled in if it is a business transaction or if there is a need for short-term financing.
- Note 5: Where the nature of the loan is a business transaction, the amount of the business transaction shall be filled in. The business transaction amount refers to the amount of business transactions between the lending company and the loan recipient in the most recent year.
- Note 6: If the nature of the loan is necessary for short-term financing, the reason for the loan and the purpose of the loan borrower shall be specified, such as loan repayment, purchase of equipment, business turnover, etc.
- Note 7: In accordance with the Company’s Procedures for Loans to Others, the total amount of loans shall not exceed 50% of the Company’s net value, but the total amount of loans to others due to the need for short-term financing between companies or with firms shall not exceed 40% of the Company’s net value. The amount of individual loans to companies or firms that have the need for short-term financing shall not exceed 20% of the net value of the Company. When fund lending is needed due to short-term financing by a foreign company in which the Company directly or indirectly holds 100% of the voting shares, the loan amount is not subject to the restrictions above but shall not exceed the net value of the borrowing company.
- Note 8: If a public company submits its lending to the board of directors’ meeting for resolution one by one in accordance with paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of the resolution of the board of directors’ meeting shall be included in the announced balance to disclose the risks it bears before the funds are lent out; if the funds are repaid later, the balance after repayment shall be disclosed to reflect the adjustment of risks. If the board of directors’ meeting of a public company authorizes the chairman of the board to extend loans in several trenches or recycle the loan balance within a certain limit in a year in accordance with paragraph 2, Article 14 of the Regulations, the loan limit approved by the board of directors’ meeting shall still be used as the balance for the public announcement and declaration. Although the funds will be repaid later, other loans may still be extended again, so the loan limit approved by the board of directors’ meeting shall still be used as the balance for the public announcement and declaration.

Tex Year Industries Inc. and Subsidiaries
Endorsements/guarantees for others
2025

Table 2

Unit: NT\$ thousand unless otherwise specified.

Serial No. (Note 1)	Endorsement guarantor company name	Endorsement/guarantee object		Limit of endorsements/ guarantees for a single enterprise (note 3)	Maximum balance of endorsements/guarantees in the current period (note 4)	Ending balance of endorsements and guarantees (notes 5 and 8)	Actual drawdown amount (Note 6)	Endorsement/ guarantee amount secured by property	Accumulated endorsement/guara ntee Amount to Net value in the latest financial statements Percentage %	Maximum endorsement/guarantee amount (Note 3)	Endorsements/guarantees of parent company to subsidiaries (Note 7)	Endorsements/guarantees of subsidiaries to parent company (Note 7)	Endorsements/guarantees for mainland China (Note 7)	Remarks
		Name	Relationship (Note 2)											
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	\$ 325,139	\$ 59,202 (RMB13,000 thousand)	\$ 58,474 (RMB13,000 thousand)	\$ 15,398 (USD 490 thousand)	\$ -	3.60%	\$ 812,848	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	2	325,139	91,080 (RMB22,000 thousand)	89,960 (RMB20,000 thousand)	17,882 (USD 569 thousand)	-	5.53%	812,848	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Technologies India Private Limited	1	52,680	16,100 (USD 500 thousand)	15,700 (USD 500 thousand)	15,700 (USD 500 thousand)	-	0.97%	52,680	N	N	N	
0	Tex Year Industries Inc.	Tex Year Technologies India Private Limited	1	52,680	36,720 (EUR 1,000 thousand)	-	-	-	-	52,680	N	N	N	
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	2	325,139	54,599 (USD 1,650 thousand)	51,810 (USD 1,650 thousand)	6,853 (USD 218 thousand)	-	3.19%	812,848	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o.o.	2	325,139	68,413 (EUR 1,850 thousand)	68,413 (EUR 1,850 thousand)	68,413 (EUR 1,850 thousand)	-	4.21%	812,848	Y	N	N	
0	Tex Year Industries Inc.	Shanghai C&M Filtration Solutions Limited.	2	325,139	1,822 (RMB 400 thousand)	-	-	-	-	812,848	Y	N	Y	
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	4	196,465	16,243 (RMB 3,600 thousand)	-	-	-	-	372,442	N	N	Y	

Note 1: The description of the number column is as follows:
(1) Fill in 0 for the issuer.
(2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: There are 7 kinds of relations between the endorsement guarantor and the endorsement/guarantee object indicated as follows:
(1) A company with business contacts.
(2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company that directly or indirectly holds more than 50% of the voting shares of the Company.
(4) Between companies in which the Company directly or indirectly holds more than 90% of the voting shares.
(5) A company with mutual guarantees in accordance with the contract which is in the same industry or a joint producer for the purpose of contracting the project.
(6) A company that has been endorsed/guaranteed by all the contributing shareholders in accordance with their shareholding ratios due to a joint investment relationship.
(7) Joint and several guarantees for the performance of a contract for the sale of pre-sold houses among companies in the same industry in accordance with the provisions of the Consumer Protection Act.

Note 3: The Company's "Procedures for Endorsements/Guarantees" stipulates that the total amount of external endorsements/guarantees shall not exceed 50% of the guarantor/endorser's net value, and the limit of endorsements/guarantees for a single enterprise is 20% of the guarantor/endorser's net value; for subsidiaries in which the guarantor/endorser directly or indirectly holds 100% of the shares, the limit is 30% of the Company's net value. The business transaction amount refers to the amount of purchase or sales contracts within the most recent year, whichever is higher.

Note 4: The maximum balance of endorsements/guarantees for others in the current year.

Note 5: The amount approved by the board of directors' meeting shall be filled in. However, if the board of directors' meeting authorizes the chairman of the board to make a decision in accordance with paragraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies, it refers to the amount decided by the chairman of the board.

Note 6: The actual amount of the Company's disbursement within the range of using the balance of the endorsements/ guarantees shall be entered.

Note 7: Y is required only for those which are endorsements/guarantees of a listed parent company to subsidiaries, endorsements/guarantees of subsidiaries to a listed parent company, and endorsements/guarantees in mainland China.

Note 8: It is converted according to the exchange rate between RMB, USD and EUR as of December 31, 2025.

Tex Year Industries Inc. and Subsidiaries
Material securities held at the end of the period
December 31, 2025

Table 3

Unit: NT\$ thousand unless otherwise specified.

Holding company	Types and names of securities (note 1)	Relationship with the securities issuer (note 2)	Account items	End of period				Remarks
				Number of units/number of shares (1000 shares)	Book amount (note 3)	Shareholding ratio (%)	Fair value	
Tex Year Industries Inc.	Acute Touch Technology Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	1,500	\$ -	3.00%	\$ -	Note 4
Tex Year Industries Inc.	Innolux Limited Partnership	-	Non-current financial assets at fair value through profit or loss	-	20,867	1.75%	20,867	Note 4
Tex Year Industries Inc.	Innolux Limited Partnership II	-	Non-current financial assets at fair value through profit or loss	-	18,311	0.85%	18,311	Note 4

Note 1: The term “securities” in this table refers to the stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 “Financial instruments.”

Note 2: If the issuer of securities is not a related party, this column is not required to be filled in.

Note 3: If measured at fair value, the book amount is the book balance after adjustment of fair value evaluation and deduction of loss provision; if not measured at fair value, the book amount is the book balance of cost after amortization (after deduction of loss provision).

Note 4: There is no pledge.

Note 5: Please refer to attached Tables 6 and 7 for information on investment in subsidiaries, affiliated enterprises and equity joint ventures.

Tex Year Industries Inc. and Subsidiaries
 The amount of goods purchased or sold with related parties is NT\$100 million or more than 20% of the paid-in capital:
 2025

Table 4

Unit: NT\$ thousand unless otherwise specified.

Purchase (Sales) company	Transaction counterparty	Relationship	Transaction situation				Trading conditions are different from normal trading Situation and reasons		Accounts and notes receivable (payable)		Remarks
			Purchase (Sales)	Amount	Amounted to purchase (sales) Percentage %	Credit period	Unit price	Credit period	Balance	Accounted to total accounts and notes receivable (payable) Percentage %	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	Affiliated enterprise	Purchase	\$ 196,248	8%	-	Cost markup	Credit on 120 days	(\$ 46,649)	(17%)	
Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Affiliated enterprise	Sales	(196,248)	(5%)	-	Cost markup	Credit on 120 days	46,649	6%	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year (Hong Kong) Ltd.	Affiliated enterprise	Purchase	179,309	8%	-	Cost markup	Credit on 120 days	(17,018)	(6%)	
Tex Year (Hong Kong) Ltd.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Affiliated enterprise	Sales	(179,309)	(5%)	-	Cost markup	Credit on 120 days	17,018	2%	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Industries Inc.	Affiliated enterprise	Purchase	113,023	5%	-	Cost markup	Credit on 120 days	(17,520)	(6%)	
Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Affiliated enterprise	Sales	(113,023)	(3%)	-	Cost markup	Credit on 120 days	17,520	2%	

Tex Year Industries Inc. and Subsidiaries
Business relationship between the parent and the subsidiary companies and among subsidiaries, as well as important transactions and amounts
2025

Table 5

Unit: NT\$ thousand unless otherwise specified.

Serial No. (Note 1)	Name of counterparty	Transaction counterparty	Relationship with the counterparty (Note 2)	Transaction situation			
				Accounting subject	Amount (Note 4)	Terms of transaction	Ratio to total consolidated revenue or total assets (notes 3 and 5)
0	Tex Year Industries Inc.	Tex Year (Hong Kong) Ltd.	1	Accounts receivable	\$ 6,572	-	0.2%
0	Tex Year Industries Inc.	Tex Year (Hong Kong) Ltd.	1	Operating income	23,719	Cost markup	0.7%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Accounts receivable	5,729	-	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Operating income	11,071	Cost markup	0.3%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Purchase	56,553	Cost markup	1.6%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Accounts receivable	10,689	-	0.3%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Operating income	19,674	Cost markup	0.5%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts payable	22,653	-	0.7%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts receivable	17,520	-	0.5%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Other income	9,231	Cost markup	0.3%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Operating income	113,023	Cost markup	3.1%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Purchase	60,581	Cost markup	1.7%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Accounts payable	11,144	-	0.3%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Accounts receivable	6,838	-	0.2%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Operating income	14,451	Cost markup	0.4%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Purchase	20,156	Cost markup	0.6%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Other income	4,103	Cost markup	0.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year (Hong Kong) Ltd.	3	Accounts payable	17,018	-	0.5%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year (Hong Kong) Ltd.	3	Purchase	179,309	Cost markup	5.0%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Operating income	47,732	Cost markup	1.3%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	46,649	-	1.3%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Operating income	40,567	Cost markup	1.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	196,248	Cost markup	5.5%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Accounts receivable	16,369	-	0.5%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Operating income	28,276	Cost markup	0.8%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	41,507	Cost markup	1.2%
3	Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Operating income	12,955	Cost markup	0.4%
3	Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Accounts receivable	6,340	-	0.2%
5	Shanghai C&M Filtration Solutions Limited.	Jiangsu C&M Filtration Solutions Limited	3	Operating income	3,097	Cost markup	0.1%
5	Shanghai C&M Filtration Solutions Limited.	Jiangsu C&M Filtration Solutions Limited	3	Accounts payable	22,367	-	0.6%
5	Shanghai C&M Filtration Solutions Limited.	Jiangsu C&M Filtration Solutions Limited	3	Purchase	18,528	Cost markup	0.5%

Note 1: The business information between the parent company and the subsidiaries shall be indicated in the number column respectively, and the number shall be filled in as follows:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: There are three types of relationship with the trading party; just indicate the type:

1. Parent company and subsidiary company.
2. Subsidiary company and parent company.
3. Subsidiary company and subsidiary company.

Note 3: For the calculation of the ratio of the transaction amount to the total consolidated revenue or total assets, if it belongs to the account of assets and liabilities, it shall be calculated in the way that the ending balance accounts for the total consolidated assets; if it belongs to the account of income, it shall be calculated in the way that the accumulated amount in the period accounts for the total consolidated revenue.

Note 4: The related transactions have been written off in the consolidated financial statements.

Note 5: All other transactions account for less than 0.1% of the total consolidated assets or total consolidated revenue, and are not disclosed.

Tex Year Industries Inc. and Subsidiaries
Name of investment company, location, etc.
2025

Table 6

Unit: NT\$ thousand unless otherwise specified.

Name of investment company	Name of investee	Location	Main business items	Original investment amount (note 1)		Held at end of the period			Investee (Loss) profit of the current period (note 7)	Recognized in the current period Investment (loss) profit (note 7)	Remarks
				End of the period	End of last year	Number of shares (1000 shares)	Percentage %	Carrying amount (Note 2)			
Tex Year Industries Inc.	Tex Year International (SAMOA) Corp.	Samoa	Holding company	\$ 746,842 (USD 23,385 thousand)	\$ 746,842 (USD 23,385 thousand)	-	100.00	\$ 1,029,511	\$ 112,829	\$ 112,829	-
	Tex Year (Hong Kong) Ltd.	Hong Kong	Sales of hot melt adhesive, adhesive and various appliances	33,735 (USD 1,000 thousand)	33,735 (USD 1,000 thousand)	8,010	100.00	99,827	2,729 (HKD 682 thousand)	2,729 (HKD 682 thousand)	-
	Tex Year Vietnam Co., Ltd.	Vietnam	Manufacturing and trading of hot melt adhesives and water adhesives	171,200 (USD 5,440 thousand)	44,920 (USD 1,440 thousand)	-	80.00	203,387	6,392 (VND 5,327,023 thousand)	5,114 (VND 4,261,618 thousand)	-
	Tex Year Industrial Adhesives Pvt. Ltd.	India	Sales and manufacturing of hot melt adhesive, sales of adhesive and various appliances	27,739 (USD 923 thousand)	24,692 (USD 822 thousand)	111	50.00	51,766	9,328 (INR 26,086 thousand)	4,664 (INR 13,043 thousand)	Note 6
	Tex Year Europe Sp. z o.o.	Poland	R&D, production and sales of hot melt adhesives	145,537 (PLN 17,600 thousand)	145,537 (PLN 17,600 thousand)	17.6	80.00	130,457	9,366 (PLN (1,130) thousand)	7,493 (PLN (904) thousand)	-
	Tex Year Minima Technology Inc.	Taiwan	Investment and international trading company	54,707	54,707	5,471	81.00	2,470	256 ()	207 ()	-
	Tex Year Vietnam Co., Ltd.	Vietnam	Manufacturing and trading of hot melt adhesives and water adhesives	103,397 (USD 3,300 thousand)	-	-	100.00	103,198	621 (VND (517,504) thousand)	621 (VND (517,504) thousand)	-
Tex Year International (SAMOA) Corp.	Tex Year Technology (Samoa) Corp.	Samoa	Holding company	746,842 (USD 23,685 thousand)	746,842 (USD 23,685 thousand)	-	96.08	1,029,506	112,829	112,829	Note 3
Tex Year (Hong Kong) Ltd.	Tex Year Technology (Samoa) Corp.	Samoa	Holding company	33,029 (USD 955 thousand)	33,029 (USD 955 thousand)	-	3.92	35,562	112,829	-	Note 3
Tex Year Minima Technology Inc.	Tex Year Minima Technology Europe Sp. z o.o.	Poland	Production, sales and development of biodegradable materials and products	64,956 (PLN 9,253 thousand)	64,956 (PLN 9,253 thousand)	9.253	100.00	4,997	41 (PLN (5) thousand)	41 (PLN (5) thousand)	Note 5

Note 1: It is calculated according to the original investment cost.

Note 2: The unrealized gross profit of goods sold has been deducted.

Note 3: The total net profit of this period of Tex Year Technology (SAMOA) Corp. is recognized under Tex Year International (SAMOA) Corp.

Note 4: Please refer to Table 7 for information about reinvested companies in mainland China.

Note 5: The Board resolved to cease the operation of Tex Year Minima Technology Europe Sp. z o. o. and have it liquidated on March 15, 2024. However, as of March 12, 2026, the liquidation had not been completed.

Note 6: The investment income recognized in the current period is based on the financial statements not yet audited by the accountants.

Note 7: The conversion was based on the average exchange rate of HKD, VND, INR, and PLN in 2025.

Tex Year Industries Inc. and Subsidiaries
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Table 7 Unit: NT\$ thousand unless otherwise specified.

Investee in mainland China Name of the Company	Main business items	Paid-in capital (Note 1)	Investment mode	Beginning of the period Remitted from Taiwan Accumulated investment amount (notes 1 and 3)	Remitted out or recovered in Amount of investment		End of the period Remitted from Taiwan Accumulated investment amount (notes 1 and 3)	Profit or loss of investee for the period (Note 12)	Shareholding ratio of direct or indirect investment of the Company	Recognized in the current period Profit and loss (note 12)	Investment at the end of the period Carrying amount	As of the current period Investment income repatriated	Remarks
					Outward remittance	Recovery							
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	R&D, production and sales of hot melt adhesives	\$ 389,798 (USD 12,000 thousand)	Note 5	\$ 389,798 (USD 12,000 thousand)	\$ -	\$ -	\$ 389,798 (USD 12,000thousand)	\$ 85,833 (RMB19,816 thousand)	100%	\$ 85,881 (RMB19,828 thousand)	\$ 651,317	\$ 156,973 (Note 11)	Notes 7 and 9
Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	14,265 (RMB 3,000 thousand)	Note 5	-	-	-	-	16,985 (RMB 3,921 thousand)	100%	16,985 (RMB 3,921 thousand)	38,399	None	Note 7
Tex Year Technology (Jiangsu) Co., Ltd.	R&D, production and sales of hot melt adhesives	308,108 (USD 10,000 thousand)	Note 6	308,108 (USD 10,000 thousand)	-	-	308,108 (USD 10,000thousand)	26,507 (RMB 6,120 thousand)	100%	26,920 (RMB 6,215 thousand)	397,904	None	Notes 7 and 10
Shanghai C&M Filtration Solutions Limited.	R&D and Sales of Eco-friendly Filter Materials	98,536 (RMB 21,298 thousand)	Note 8	-	-	-	-	1,808 (RMB 417 thousand)	50.10%	906 (RMB 209 thousand)	74,688	None	Note 7
Jiangsu C&M Filtration Solutions Limited	R&D and Manufacturing of Eco-friendly Filter Materials	69,922 (RMB 15,000 thousand)	Note 8	-	-	-	-	(2,514) (RMB (580) thousand)	50.10%	(1,260) (RMB (291) thousand)	34,451	None	Note 7
Huzhou Yachuang Tech Ltd.	R&D and Sales in Eco-friendly Filter Materials, and Rental of Self-owned Houses	34,806 (RMB 8,000 thousand)	Note 8	-	-	-	-	(147) (RMB (34) thousand)	50.10%	(74) (RMB (17) thousand)	17,536	None	Note 7
Huzhou Xiling Tech Ltd.	Engineering and technical research, test and design	24,337 (RMB 5,500 thousand)	Note 8	-	-	-	-	(1,545) (RMB (357) thousand)	15.03%	(232) (RMB (54) thousand)	4,715	None	Note 7

Accumulated amount of investment remitted from Taiwan to mainland China at the end of the period (note 1)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (note 1)	In compliance with the mainland China investment limit set by the Investment Commission of the Ministry of Economic Affairs
NT\$817,430 (USD25,500 thousand)	NT\$894,394 (USD27,500 thousand)	(Note 2)

- Note 1: It is calculated based on the original investment cost.
- Note 2: According to the letter of the Ministry of Economic Affairs referenced Jing-Shen-Zi No. 09704604680, it is calculated at 60% of the net value of the Company on December 31, 2025, except for the enterprises or subsidiaries of multinational enterprises in Taiwan approved by the Industrial Development Bureau of the Ministry of Economic Affairs, with the supporting documents of compliance with the operation scope of the operation headquarters issued by it. The Company obtained the certificate of compliance on the headquarters' operation scope (letter referenced Jing-Shou-Gong-Zi No. 11451011590) issued by the Industrial Development Bureau of the Ministry of Economic Affairs on April 18, 2022. The period of validity is from April 10, 2025 to April 9, 2028, so it is not subject to the limit.
- Note 3: Accumulated investment amount remitted from Taiwan, excluding the investment information on subsidiaries in Mainland China that are disposed of (sold, liquidated, dissolved, acquired, and bankrupted).
- Note 4: The Company invested NT\$389,798 thousand through Tex Year International (SAMOA) Corp., a third-region investment enterprise, and then indirectly invested in Tex Year Fine Chemical (Guangzhou) Co., Ltd. through Tex Year International (SAMOA) Corp.
- Note 5: Tex Year Fine Chemical (Guangzhou) Co., Ltd. directly invested in Wuxi Tex Year International Trading Co., Ltd. and Shanghai C&M Filtration Solutions Limited.
- Note 6: The Company invested NT\$308,108 thousand through Tex Year International (SAMOA) Corp., a third-region investment enterprise, and then indirectly invested in Tex Year Technology (Jiangsu) Co., Ltd. through Tex Year Technology (SAMOA) Corp.
- Note 7: For the investment profit or loss, except for Shanghai C&M Filtration Solutions Limited and JIANGSU C&M Filtration Solutions Limited, which are calculated according to the financial statements audited and verified by other independent auditors, the rest of the investment profit or loss is calculated according to the financial statements that have been audited and verified by the independent auditors of the parent company in Taiwan.
- Note 8: Tex Year Fine Chemical (Guangzhou) Co., Ltd. directly invested in Shanghai Chuangzhi Environmental Tech Co., Ltd. and then indirectly invested in Jiangsu C&M Filtration Solutions Ltd. and Huzhou Yachuang Tech Ltd. through Shanghai Chuangzhi Environmental Tech Co., Ltd.
- Note 9: It is the balance of the current recognized investment profit or loss after adjusting for the realized gains of NT\$48 thousand (RMB12 thousand) from side flow transactions, and the ending book value of the investment after deducting the unrealized side flow transactions and downstream transactions at the end of the period.
- Note 10: Unrealized net loss of investment gains and losses recognized in the current period, after the adjusted sidestream transactions, is NT\$413 thousand (RMB95 thousand). The book value of the investment at the end of the period is the balance after deducting the unrealized side-flow transactions and downstream transactions at the end of the period.
- Note 11: Tex Year Fine Chemical (Guangzhou) Co., Ltd. has repatriated the investment income of the Company through Tex Year Technology (SAMOA) Corp. As of December 31, 2025, a total of NT\$156,973 thousand has been repatriated.
- Note 12: The conversion is based on the average exchange rate of RMB in 2025.