Stock Code:6226

PARA LIGHT ELECTRONICS CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

Address: 11F, No. 8, Jiankang Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)
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Representation Letter

The entities that are required to be included in the combined financial statements of PARA LIGHT ELECTRONICS CO., LTD. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements."endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, PARA LIGHT ELECTRONICS CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: PARA LIGHT ELECTRONICS CO., LTD.
Chairperson: David Ma
Date: March 5, 2026

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Independent Auditors' Report

To the Board of Directors of PARA LIGHT ELECTRONICS CO., LTD.:

Opinion

We have audited the consolidated financial statements of PARA LIGHT ELECTRONICS CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Please refer to note 4(p) "Revenue recognition" and note 6(s) "Revenue from contracts with customers" to the consolidated financial statements for accounting policies on revenue recognition and description of revenues, respectively.

   Description of key audit matter:

   The Group mainly engages in the manufacture, processing, and sale of various LEDs and LED displays as well as real estate development. Revenue is one of the key indicators for investors and management to measure financial or business performance; therefore, the accuracy of the amounts and timing of revenue recognition has significant influence on financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included: (i) testing relevant control over the sales and payment collection cycle, as well as checking and reconciling the sales system data and the general ledger. (ii) assessing whether policies on revenue recognition were formulated in accordance with relevant standards. (iii) utilizing our audit tools to sample and test sales transactions before and after the end of the year, so as to assess the accuracy of the periods wherein revenues were recognized. (iv) reviewing with significant customers and analyzing product-specific revenue trends, so as to ascertain whether there was significant abnormality. In addition, (v) we also assessed whether the related information was properly disclosed in the notes to the consolidated financial statements.

Other Matter

The Group has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Mei, Yuan-Chen and Kuo, Yang-Lun.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents(note 6(a))	$ 280,192	14	341,429	15
1110	Current financial assets at fair value through profit or loss(note 6(b))	22,840	1	8,702	-
1120	Current financial assets at fair value through other comprehensive income(note 6(b))	32,952	2	14,481	1
1150	Notes receivable, net(notes 6(c) and (s))	12,117	1	5,826	-
1170	Accounts receivable, net(notes 6(c) and (s))	182,092	9	198,047	9
1220	Current tax assets	-	-	15,036	1
130X	Inventories(note 6(d))	122,972	6	582,609	25
1410	Prepayments	13,056	1	10,847	-
1476	Other current financial assets(notes 6(a), 7and 8)	117,452	6	31,077	1
1479	Other current assets	5,632	-	5,732	-
		789,305	40	1,213,786	52
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income(note 6(b))	58,165	3	51,835	2
1550	Investments accounted for using equity method, net(note 6(e))	195,615	10	203,146	9
1600	Property, plant and equipment(notes 6(h) and 8)	504,261	26	532,486	23
1755	Right-of-use asset(notes 6(i) and 8)	37,311	2	39,176	2
1760	Investment property, net(notes 6(j) and 8)	294,164	15	86,108	4
1780	Intangible assets(note 6(k))	4,980	-	5,314	-
1840	Deferred tax assets(note 6(q))	25,414	1	33,903	1
1980	Other non-current financial assets(notes 7 and 8)	4,225	-	124,066	5
1990	Other non-current assets, others(note 7)	62,303	3	45,681	2
		1,186,438	60	1,121,715	48
	Total assets	**$ 1,975,743**	**100**	**2,335,501**	**100**

	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2100	Short-term borrowings(note 6(l))	$ 161,027	8	127,184	5
2132	Advance real estate receipts(notes 6(d) and (s))	-	-	178,522	8
2150	Notes payable	23	-	23	-
2170	Accounts payable	149,811	8	152,312	7
2219	Construction payable(note 6(d))	-	-	13,974	1
2230	Current tax liabilities	6,584	-	7,591	-
2321	Bonds payable, current portion(note 6(n))	300,000	15	-	-
2322	Long-term borrowings, current portion(note 6(m))	35,197	2	34,298	1
2399	Other current liabilities, others(note 6(o))	37,568	2	84,804	4
		690,210	35	598,708	26
	Non-Current liabilities:				
2530	Bonds payable(note 6(n))	-	-	300,000	13
2540	Long-term borrowings(note 6(m))	154,637	8	183,776	8
2580	Non-current lease liabilities(note 6(o))	730	-	781	-
2640	Net defined benefit liability, non-current(note 6(p))	998	-	7,862	-
2570	Deferred tax liabilities(note 6(q))	6,290	-	7,072	-
2645	Guarantee deposits received	857	-	715	-
		163,512	8	500,206	21
	Total liabilities	853,722	43	1,098,914	47
	Stockholders' equity attributable to parent:(note 6(r))				
3110	Ordinary share	1,155,348	58	1,166,198	50
3200	Capital surplus	31,753	2	28,839	1
3300	Retained earnings	(28,140)	(1)	2,708	-
3400	Other equity interest	(35,171)	(2)	(64,773)	(3)
3500	Treasury shares	-	-	(7,936)	-
	Stockholders' equity attributable to owners of parent:	1,123,790	57	1,125,036	48
36XX	Non-controlling interests(note 6(f))	(1,769)	-	111,551	5
	Total equity	1,122,021	57	1,236,587	53
	Total liabilities and equity	**$ 1,975,743**	**100**	**2,335,501**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2025		2024(Restated)	
		Amount	%	Amount	%
4000	**Operating revenue(notes 6(s) and 14)**	$ 609,170	100	632,672	100
5000	**Operating costs(notes 6(d) and 12(a))**	435,302	71	472,854	75
	Gross profit from operations	173,868	29	159,818	25
	Operating expenses:(note 6(c),(k),(p),(t) and 12(a))				
6100	Selling expenses	60,446	10	74,813	12
6200	Administrative expenses	138,613	23	131,869	21
6300	Research and development expenses	26,377	4	27,831	4
6450	Reversal of expected credit loss	(1,117)	-	(1,160)	-
		224,319	37	233,353	37
	Operating loss	(50,451)	(8)	(73,535)	(12)
	Non-operating income and expenses:notes 6(e), (i),(j),(o) and (u))				
7010	Other income	35,509	5	12,979	2
7020	Other gains and losses	18,926	3	34,810	6
7050	Finance costs	(13,840)	(2)	(14,044)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(7,535)	(1)	(1,133)	-
7100	Interest income	4,811	1	7,180	1
		37,871	6	39,792	7
	Loss before tax	(12,580)	(2)	(33,743)	(5)
7950	**Less: Income tax expenses** (note 6(q))	18,148	3	11,865	2
8000	Loss from continuing operations	(30,728)	(5)	(45,608)	(7)
8100	Profit (loss) from discontinued operations, net of tax	1,429	-	9,046	(1)
	Loss	(32,157)	(5)	(54,654)	(8)
8300	**Other comprehensive income:**(notes 6(p) and (r))				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	174	-	1,601	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	11,821	2	2,920	-
		11,995	2	4,521	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	18,302	3	63,492	10
		18,302	3	63,492	10
8300	**Other comprehensive income (after tax)**	30,297	5	68,013	10
	Total comprehensive income	**$ (1,860)**	**-**	**13,359**	**2**
	Profit (loss) attributable to:				
	Owners of the parent	$ (31,701)	(5)	(51,139)	(7)
	Non-controlling interests	(456)	-	(3,515)	(1)
		$ (32,157)	**(5)**	**(54,654)**	**(8)**
	Comprehensive income (loss) attributable to:				
	Owners of the parent	$ (1,404)	-	16,874	3
	Non-controlling interests	(456)	-	(3,515)	(1)
		$ (1,860)	**-**	**13,359**	**2**
	Basic earnings per share from continuing operations	$	(0.27)		(0.39)
	Basic earnings per share from discontinued operations		(0.01)		(0.05)
	Total basic earnings per share	**$**	**(0.28)**		**(0.44)**
	Diluted earnings per share from continuing operations	$	(0.27)		(0.39)
	Diluted earnings per share from discontinued operations		(0.01)		(0.05)
	Total diluted earnings per share	**$**	**(0.28)**		**(0.44)**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings				Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 1,166,198	29,066	1,740	133,302	(74,579)	60,463	(113,978)	(24,575)	(138,553)	(7,936)	1,109,238	109,635	1,218,873
Loss	-	-	-	-	(51,139)	(51,139)	-	-	-	-	(51,139)	(3,515)	(54,654)
Other comprehensive income	-	-	-	-	1,601	1,601	63,492	2,920	66,412	-	68,013	-	68,013
Total comprehensive income	-	-	-	-	(49,538)	(49,538)	63,492	2,920	66,412	-	16,874	(3,515)	13,359
Changes in ownership interests in subsidiaries	-	(227)	-	-	(849)	(849)	-	-	-	-	(1,076)	-	(1,076)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(7,368)	(7,368)	-	7,368	7,368	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,431	5,431
Balance at December 31, 2024	1,166,198	28,839	1,740	133,302	(132,334)	2,708	(50,486)	(14,287)	(64,773)	(7,936)	1,125,036	111,551	1,236,587
Loss	-	-	-	-	(31,701)	(31,701)	-	-	-	-	(31,701)	(456)	(32,157)
Other comprehensive income	-	-	-	-	174	174	18,302	11,821	30,123	-	30,297	-	30,297
Total comprehensive income	-	-	-	-	(31,527)	(31,527)	18,302	11,821	30,123	-	(1,404)	(456)	(1,860)
Appropriation and distribution of retained earnings:													
Reversal of special reserve	-	-	-	(68,529)	68,529	-	-	-	-	-	-	-	-
Retirement of treasury share	(10,850)	2,914	-	-	-	-	-	-	-	7,936	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	158	158	-	-	-	-	158	-	158
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	521	521	-	(521)	(521)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(112,864)	(112,864)
Balance at December 31, 2025	**$ 1,155,348**	**31,753**	**1,740**	**64,773**	**(94,653)**	**(28,140)**	**(32,184)**	**(2,987)**	**(35,171)**	**-**	**1,123,790**	**(1,769)**	**1,122,021**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from(used in) operating activities:		
Loss from continuing operations before tax	$ (12,580)	(33,743)
Loss from discontinued operations before tax	(1,640)	(10,113)
Loss before tax	(14,220)	(43,856)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	37,409	40,208
Amortization expense	843	895
Reversal of expected credit losses	(1,117)	(1,160)
Net profit on financial assets or liabilities at fair value through profit or loss	(569)	(2,013)
Interest expense	13,840	15,700
Interest income	(4,811)	(7,182)
Dividend income	(4,494)	(1,109)
Share of loss of subsidiaries and associates accounted for using equity method	7,535	1,133
Loss on disposal of property, plant and equipment	329	129
Gain on disposal of investment properties	-	(12,652)
Gain on disposal of investments accounted for using equity method	(17,534)	(2,882)
Total adjustments to reconcile profit (loss)	31,431	31,067
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(6,291)	8,543
Decrease (increase) in accounts receivable	17,072	(8,862)
Decrease in inventories	2,560	19,640
Increase in prepaid expenses	(3,307)	(500)
Decrease (increase) in prepayments	1,188	(247)
Increase in other current assets	(45)	(482)
Decrease in other financial assets	19,586	1,161
Total changes in operating assets	30,763	19,253
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	7,860	(16,333)
Increase (decrease) in notes payable	533	(3,187)
Increase (decrease) in accounts payable	(3,034)	24,199
Decrease in construction payable	(6,722)	(2,524)
Increase (decrease) in other payable	(8,274)	127
Increase (decrease) in other current liabilities	(24,301)	29,380
Decrease in net defined benefit liability	(6,690)	(1,504)
Total changes in operating liabilities	(40,628)	30,158
Total adjustments	21,566	80,478
Cash inflow generated from operations	7,346	36,622
Interest received	4,811	7,182
Dividends received	4,494	1,109
Interest paid	(14,144)	(16,024)
Income taxes paid	(1,431)	(3,196)
Net cash flows from operating activities	1,076	25,693
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(180,841)	(260,281)
Proceeds from disposal of financial assets at fair value through other comprehensive income	167,862	256,790
Acquisition of financial assets at fair value through profit or loss	(333,994)	(63,038)
Proceeds from disposal of financial assets at fair value through profit or loss	311,320	55,927
Proceeds from disposal of investments accounted for using equity method	6,763	5,349
Acquisition of property, plant and equipment	(12,017)	(17,638)
Proceeds from disposal of property, plant and equipment	788	1,706
Acquisition of investment properties	(34,347)	-
Acquisition of intangible assets	(539)	-
Proceeds from disposal of investment properties	-	35,402
Decrease in other financial assets	1,617	10,416
Increase in prepayments	(11,059)	(14,600)
Net cash flows from(used in) investing activities	(84,447)	10,033
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	122,908	73,369
Decrease in short-term borrowings	(73,369)	(133,856)
Proceeds from long-term borrowings	15,652	129,642
Repayment of long-term borrowings	(42,926)	(104,206)
Increase (decrease) in guarantee deposit received	138	(200)
Payment of lease liabilities	(615)	(598)
Change in non-controlling interests	(5,701)	5,431
Changes in ownership interests in subsidiaries	158	(1,076)
Net cash flows from(used in) financing activities	16,245	(31,494)
Effect of exchange rate changes on cash and cash equivalents	5,889	31,908
Net increase (decrease) in cash and cash equivalents	(61,237)	36,140
Cash and cash equivalents at beginning of period	341,429	305,289
Cash and cash equivalents at end of period	**$ 280,192**	**341,429**

See accompanying notes to consolidated financial statements.

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

PARA LIGHT ELECTRONICS CO., LTD. (the "Company") was incorporated on September 23, 1987 as a company limited by shares under the Company Act of the Republic of China ("R.O.C."). The Company's common shares were listed on the Taipei Exchange on January 14, 2003. On November 10, 2008, the Company became listed on the Taiwan Stock Exchange as approved by it on September 17, 2008.

The Company and its subsidiaries (the "Group") mainly engage in the manufacture, processing and sale of various LEDs and LED displays as well as real estate development.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 5, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.(altogether referred to “ IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income is measured at fair value;

3) The net defined benefit liabilities are recognized at present value less the fair value of the plan assets.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’ s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2025**	**December 31, 2024**	**Description**
The Company	Para Light Investments Limited (PARA Light Investments)	Holding company	100.00 %	100.00 %	
The Company	Para Light Electronics HK Limited (PARA HK)	Selling LEDs, LED displays and electronic components	100.00 %	100.00 %	
The Company	Para Light Corp. (PARA USA)	Selling LEDs, LED displays and electronic components	100.00 %	100.00 %	
The Company	RUI JI INVESTMENT CO., LTD. (RUI JI INVESTMENT)	General investment	100.00 %	100.00 %	
The Company	Myanmar Para Light Led & Lighting Accessory Company Limited (PARA MYANMAR)	Producing LEDs, LED displays, and electronic components.	100.00 %	100.00 %	
The Company	Para Light India Private Limited (PARA INDIA)	Selling LEDs, LED displays and electronic components	100.00 %	100.00 %	
Para Light Investments	PARA LIGHT NANJING ELECTRONICS CO., LTD. (PARA LIGHT NANJING)	Producing and selling LEDs, LED displays, models, and plastic plates for LED displays	100.00 %	100.00 %	
Para Light Investments	PARA LIGHT Lian Yun Gang ELECTRONICS CO., LTD. (PARA LIGHT Lian Yun Gang ELECTRONICS)	Producing and selling optoelectronic products such as LEDs, LED displays, electronic components, semiconductor lighting, and lamps.	59.94 %	59.94 %	
PARA HK	PARA LIGHT Lian Yun Gang ELECTRONICS	Producing and selling optoelectronic products such as LEDs, LED displays, electronic components, semiconductor lighting, and lamps.	5.83 %	5.83 %	
PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang ELECTRONICS	Producing and selling optoelectronic products such as LEDs, LED displays, electronic components, semiconductor lighting, and lamps.	34.23 %	34.23 %	

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Name investor	Name of investee	Scope of business	Percentage of ownership December 31, 2025	Percentage of ownership December 31, 2024	Description
PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang Investment Co., Ltd. (PARA LIGHT Lian Yun Gang Investment)	Investment in general enterprises as well as property development and investment	94.92 %	94.92 %	
PARA LIGHT NANJING	Nanjing Hongding New Lighting Source Sales Co., Ltd. (Hongding New Lighting Source)	Selling LEDs and other electronic products	50.00 %	50.00 %	
PARA LIGHT Lian Yun Gang ELECTRONICS	PARA LIGHT Lian Yun Gang Investment	Investment in general enterprises as well as property development and investment	5.08 %	5.08 %	
PARA LIGHT Lian Yun Gang Investments	PARA LIGHT Lian Yun Gang Real Estate Development Co., Ltd. (PARA LIGHT Lian Yun Gang Real Estate Development)	Property investment and development	100.00 %	100.00 %	
PARA LIGHT Lian Yun Gang Investments	Lian Yun Gang DING MAO Electronics Technology Development Co., Ltd. (Lian Yun Gang DING MAO)	Developing electronic and agricultural technology	- %	- %	Note 1
PARA LIGHT Lian Yun Gang Investments	MING DING Lian Yun Gang Real Estate Development Co., Ltd. (MING DING Lian Yun Gang Real Estate Development)	Property investment and development	- %	60.00 %	Note 2

Note 1: On May 31, 2024, the consolidated company sold all share of Lian Yun Gang DING MAO. Please refer to note 6(g) for details.

Note 2: After the capital reduction in March 2025, the consolidated company's shareholding decreased to 59.45%, and on June 30, 2025, the consolidated company sold all shares of MING DING Lian Yun Gang Real Estate Development. Please refer to note 6(g) for details.

(iii) Subsidiaries excluded from the consolidated financial statements: None

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective；or

3) qualifying cash flow hedges to the extent the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Group's functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated into the Group's functional currency at average exchange rate. Exchange differences are recognized in other comprehensive income.

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI)–equity investment, or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivables, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

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PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Due to the counter parties and the performing parties of the Group’s time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Group considers a financial asset to be in default when the financial asset is more than one year past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The Group's entrusts constructors to build residential buildings, and the operating cycles thereof are normally longer than 1 year. Assets related to the construction business are classified as current according to operating cycle.

The Group acquired the use rights of land for development in the future (with a useful life of 70 years). Upon obtaining the land use rights certificate, the land is recognized as " land held for construction" . Besides, the construction land and construction costs of various projects are recognized as " construction in progress" and transferred to " real estate held for sale" upon completion of works. "Land held for construction", "construction in progress", and "buildings and land held for sale" presented within inventories, are measured at cost and subsequently measured at the lower of cost and net realizable value. Net realizable value is the selling price estimated based on ordinary course of business on the balance sheet date, less the costs and selling expenses to be incurred as of the completion of work.

(i) Non-current assets held for sale & Discontinued operations

(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed, or is classifies as held for sale, and

1) represents a separate major line of business or geographic area of operations;

2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

3) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in an associate, the Group discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(k) Investment property

Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

(Continued)

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures (including facilities): 3～55 years

2) Machinery equipment (including molds): 2～10 years

3) Transportation and miscellaneous equipment: 2～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise an extension or termination option; or

— there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including transportation equipment and others. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(Continued)

(n) Intangible Assets

(i) Recognition and measurement

The Group' s other intangible assets with finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software: 1～10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(o) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss shall be recognized immediately in profit or loss.

(p) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods–LED

The Group recognizes revenue when control of the products has transferred. When the products are delivered to the customer, the customer has full discretion over the products' distribution channels and prices, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Sale of goods – real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(q) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(r) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of taxes payable or refundable is the best estimate measured using the tax rate enacted or substantively enacted on the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted on the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(u) Earnings per share

The Group discloses the Company' s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group' s risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

The information that has the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Determination of significant influence over an associate

The Group holds less than 20% of the voting or potential voting rights of EBN Technology Corp. (EBN Technology)Nevertheless, the Company has concluded that it has significant influence over the entity because it occupies one-third of the seats on the board of directors of EBN Technology and the chairman of the Company also serves as the chairman of that entity.

The Group holds 40% of the voting rights of YUN DING Nanjing Real Estate Development Co., Ltd. (YUN DING Real Estate Development). However, as the remaining voting rights are held by a single shareholder and the Group does not serve as a director of the company, the Group therefore has significant influence over YUN DING Real Estate Development but does not have control.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Inventory valuation

Inventories are stated at the lower of cost or net realizable value. The Group estimates the net realizable value of inventory for normal waste, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on the assumptions of future demand within a specific time horizon. For the estimation of the valuation of inventory, please refer to note 6(d).

(b) The loss allowance for accounts receivables

The Group has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to not 6(c).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Petty cash	$ 1,359	587
Checking account deposits	985	1,672
Demand deposits	358,713	416,968
Time deposits	32,658	36,636
Less: restricted bank deposits (presented within current financial assets) (note 8)	(109,363)	(3,007)
Restricted bank deposits (presented within non-current financial assets) (note 8)	(4,160)	(111,427)
	$ 280,192	**341,429**

Please refer to note 6(w) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets

(i) Details are set out as follows:

	December 31, 2025	December 31, 2024
Current:		
Financial assets at fair value through profit or loss:		
Domestic Beneficiary Certificates	**$ 22,840**	**8,702**
Financial assets at fair value through other comprehensive income:		
Shares in domestic listed entities	**$ 32,952**	**14,481**
Non-Current：		
Financial assets at fair value through other comprehensive income:		
Shares in unlisted entities in China	**$ 58,165**	**51,835**

(Continued)

(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long-term strategic purposes.

In 2025 and 2024, the Group disposed of its current financial assets measured at FVOCI. The fair values at the time of disposal amounted to $167,862 thousand and $256,790 thousand, respectively. The cumulative gains (losses) on disposal were $521 thousand and $(7,368) thousand, respectively, and were reclassified from other equity to retained earnings.

(iii) For credit risk (including the impairment of debt investments) and market risk, please refer to note 6(w).

(c) Accounts receivables and notes receivable

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	$ 12,117	5,826
Accounts receivables	196,921	214,067
Less: Allowance for impairment	(14,829)	(16,020)
	$ 194,209	203,873

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

In respect of the Group's notes and accounts receivable, the ECLs calculated based on the dates of journal entries were as follows:

	December 31, 2025		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
1 to 120 days	$ 168,495	0.49%	827
121 to 180 days	23,268	5%	1,152
181 to 360 days	4,932	10%	507
360 days	12,343	100%	12,343
	$ 209,038		14,829

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	December 31, 2024		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
1 to 120 days	$ 179,566	1%	1,403
121 to 180 days	22,147	6%	1,368
181 to 360 days	5,547	11%	616
360 days	12,633	100%	12,633
	$ **219,893**		**16,020**

The loss allowance provisions for notes receivable and accounts receivable were determined as follows:

	2025	2024
Balance at January 1	$ 16,020	16,729
Gains on reversal of impairment	(1,117)	(1,160)
Foreign exchange gains/(losses)	(74)	451
Balance at December 31	$ **14,829**	**16,020**

The Group has neither discounted nor pledged any notes and accounts receivable.

(d) Inventories

(i) Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 66,842	57,618
Work in progress	26,799	23,697
Raw materials and supplies	29,331	20,459
	$ **122,972**	**101,774**

In 2025 and 2024, the inventory costs recognized in cost of sales and expenses amounted to $436,558 thousand and $451,431 thousand, respectively.

In 2025 and 2024, the write-down (reversal of write-down) of inventories amounted to $(1,256) thousand and $11,424 thousand, respectively.

As of December 31, 2025 and 2024, the Group did not provide any inventories as collateral for its loans.

(ii) Land held for construction site and construction in progress

		December 31, 2024
Buildings and land held for sale	$	**480,835**

The Group engaged a construction company to construct residential buildings for sale. The associated construction costs and pre-sale collections were as follows:

		December 31, 2024	
Project name		**Real estate held for sale**	**Advance real estate receipts**
Majestic Mansion	$	**480,835**	**178,522**

The Group and Sheng Yu Lian Yun Gang Real Estate Development Co., Ltd. entered into a property co-development arrangement, whereby the land use rights were obtained from Sheng Yu Real Estate Development Co., Ltd. for the development and management of the Majestic Mansion project. Both the construction work permit and the pre-sale (sale) permit for the housing units have been obtained. For parcels of land where the formal land title certificates are still being processed, approval notices for construction land use have already been secured. The parcels of land designated for use as public facilities and roads were recognized under the line item of buildings and land held for sale.

As of December 31, 2025 and 2024, the costs of real estate that were recognized as operating costs and expenses amounted to$0 thousand and 30,040 thousand, respectively.

In 2025 and 2024, the operating costs arising from real estate held for sale written down to net realizable value amounted to $0 thousand and $7,172 thousand, respectively.

The Group entrusted a construction company to build residential properties. As of December 31, 2024, the outstanding construction payables amounted to $13,974 thousand.

The Group transferred certain real estate properties to investment property in 2024 due to a change in use. Please refer to Note 6(j).

The Group disposed of its subsidiary, MING DING Lian Yun Gang Real Estate Development on June 30, 2025. Please refer to Note 6(g).

(e) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2025	December 31, 2024
EBN Technology Corp.	$	19,152	26,687
YUN DING Real Estate Development		176,463	176,459
	$	**195,615**	**203,146**

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The Company's share of associates' profits (losses) was as follows:

	2025	2024
EBN Technology	$ (7,535)	(940)
YUN DING Real Estate Development	-	(193)
	$ (7,535)	**(1,133)**

The financial information of the Group's associates, which was not adjusted in proportion to the Group's ownership, is summarized as follows:

EBN Technology:

	December 31, 2025	December 31, 2024
Total assets	**$ 120,272**	**304,527**
Total liabilities	**$ 16,295**	**159,643**

	2025	2024
Revenues	**$ 94,332**	**122,408**
Loss (for the period)	**$ (40,907)**	**(5,102)**

YUN DING Real Estate Development:

	December 31, 2025	December 31, 2024
Total assets	**$ 891,253**	**891,233**
Total liabilities	**$ 306,124**	**306,117**

	2025	2024
Revenues	**$ -**	**-**
Loss (for the period)	**$ -**	**(483)**

(f) Associates

Associates which are material to the Group consisted of the followings:

Name of Associates	Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2025	Proportion of shareholding and voting rights December 31, 2024
MING DING Lian Yun Gang Real Estate Development	China	- %	40 %

The summary financial information of the above subsidiary, which was classified as a non-current asset held for sale from the board resolution to dispose of it on March 14, 2025, until the completion of the disposal on June 30, 2025, is presented below. The following information was prepared in accordance with IFRSs endorsed by the FSC, without intra-group transactions being eliminated.

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Summary of financial information:

	December 31, 2024
Current assets	$ 480,000
Non-current assets	15,259
Current liabilities	(211,659)
Net assets	**$ 283,600**
Net assets attributable to non-controlling interests	**$ 113,440**

	2025	2024
Profit (loss) from discontinued operations	$ (1,429)	(9,046)
Other comprehensive income	-	-
Total comprehensive income	**$ (1,429)**	**(9,046)**
Net profits or losses (for the period) attributable to non-controlling interests	**$ (580)**	**(3,618)**
Comprehensive income (loss) attributable to non-controlling interests	**$ (580)**	**(3,618)**

(g) Loss control of subsidiaries

(i) The Group resolved to dispose of its subsidiary, MING DING Lian Yun Gang Real Estate Development at the Board of Directors meeting on March 14, 2025, and completed the disposal of its 59.45% equity interest on June 30, 2025, thereby losing control over the subsidiary. The consideration for the disposal amounted to $174,452 thousand (including cash and cash equivalents of $6,763 thousand and investment property of $167,689 thousand). The Group recognized a gain on disposal of a subsidiary of $17,534 thousand and an exchange difference impact of $6,550 thousand, which were presented under other gains and losses.

The carrying amounts of the assets and liabilities of MING DING Lian Yun Gang Real Estate Development as of June 30, 2025 (the disposal date) were as follows:

	114.6.30 (disposal date)
Cash and cash equivalents	$ 805
Inventories	437,464
Property, plant and equipment	289
Other current assets	432
Deferred tax assets – non-current	2,312
Other financial assets – non-current	11,357
Less: Contract liabilities – property sales	(178,384)
Construction payables	(6,941)
Other current liabilities	(20,874)
Carrying amount of net assets	**$ 246,460**
Carrying amount of the interest held	**$ 150,368**

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(ii) In 2024, the Group disposed of its 100% equity interest in Lian Yun Gang Ding Mao for $5,349 thousand, resulting in a loss of control over the subsidiary. Furthermore, the Group exempted its other receivables amounting to $7,857 thousand. Additionally, a gain on disposal of $2,882 thousand was recognized and presented under other gains and losses.

The carrying amounts of the assets and liabilities of Lian Yun Gang Ding Mao as of May 31, 2024 (the disposal date) were as follows:

	113.5.31 (disposal date)
Cash and cash equivalents	$ 123
Property, plant and equipment	19,057
Right-of-use assets	5,120
Investment property	1,687
Other current liabilities	(31,377)
Carrying amount of net assets	$ (5,390)

(h) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Land	Buildings and structures	Machinery equipment	Transportation and miscellaneous equipment	Total
Cost:					
Balance at January 1, 2025	$ 83,520	457,663	317,615	101,394	960,192
Additions	-	6,742	1,746	3,529	12,017
Reclassification	-	-	1,977	670	2,647
Disposal	-	-	(3,158)	(3,417)	(6,575)
Disposal of a subsidiary(note 6(g))	-	-	-	(2,380)	(2,380)
Write-offs	-	-	(936)	(462)	(1,398)
Others	-	(4,274)	-	4,274	-
Effect of movements in exchange rates	-	(5,132)	(1,905)	(977)	(8,014)
Balance at December 31, 2025	**$ 83,520**	**454,999**	**315,339**	**102,631**	**956,489**
Balance at January 1, 2024	$ 83,520	459,672	289,606	95,921	928,719
Additions	-	3,636	6,593	7,409	17,638
Reclassification	-	-	12,710	-	12,710
Disposal	-	-	(1,828)	(3,535)	(5,363)
Disposal of a subsidiary(note 6(g))	-	(23,039)	-	-	(23,039)
Write-offs	-	-	(2,170)	(1,689)	(3,859)
Effect of movements in exchange rates	-	17,394	12,704	3,288	33,386
Balance at December 31, 2024	**$ 83,520**	**457,663**	**317,615**	**101,394**	**960,192**

(Continued)

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	Land	Buildings and structures	Machinery equipment	Transportation and miscellaneous equipment	Total
Accumulated Depreciation:					
Balance at January 1, 2025	$ -	155,851	198,421	73,434	427,706
Depreciation for the year	-	12,668	16,525	4,277	33,470
Disposal	-	-	(2,840)	(2,758)	(5,598)
Disposal of a subsidiary(note 6(g))	-	-	-	(2,078)	(2,078)
Write-offs	-	-	(842)	(416)	(1,258)
Effect of movements in exchange rates	-	(57)	303	(260)	(14)
Balance at December 31, 2025	**$ -**	**168,462**	**211,567**	**72,199**	**452,228**
Balance at January 1, 2024	$ -	140,469	177,978	69,989	388,436
Depreciation for the year	-	14,551	16,657	5,497	36,705
Disposal	-	-	(1,584)	(2,269)	(3,853)
Disposal of a subsidiary(note 6(g))	-	(3,982)	-	-	(3,982)
Write-offs	-	-	(1,937)	(1,597)	(3,534)
Effect of movements in exchange rates	-	4,813	7,307	1,814	13,934
Balance at January 31, 2024	**$ -**	**155,851**	**198,421**	**73,434**	**427,706**
Carrying amount:					
Balance at December 31, 2025	**$ 83,520**	**286,537**	**103,772**	**30,432**	**504,261**
Balance at January 1, 2024	**$ 83,520**	**319,203**	**111,628**	**25,932**	**540,283**
Balance at December 31, 2024	**$ 83,520**	**301,812**	**119,194**	**27,960**	**532,486**

As a portion of land, buildings and structures was no longer in use, the Company decided to have them leased out to other parties and transferred from property, plant and equipment to investment property. Please refer to note 6(i).

As of December 31, 2025 and 2024, the property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

(i) Right-of-use assets

The Group leases many assets including land and buildings, and transportation equipment. Information about leases for which the Group is a lessee was presented below:

	Land use rights	Buildings and structures	Total
Cost:			
Balance at January 1, 2025	$ 43,350	2,001	45,351
Increase	-	679	679
Decrease	-	(670)	(670)
Effect of movements in exchange rates	(959)	(144)	(1,103)
Balance at December 31, 2025	**$ 42,391**	**1,866**	**44,257**

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		Land use rights	Buildings and structures	Total
Balance at January 1, 2024	$	47,210	2,424	49,634
Decrease		-	(540)	(540)
Disposal of a subsidiary(note 6(g))		(6,372)	-	(6,372)
Effect of movements in exchange rates		2,512	117	2,629
Balance at December 31, 2024	**$**	**43,350**	**2,001**	**45,351**
Accumulated depreciation:				
Balance at January 1, 2025	$	5,395	780	6,175
Depreciation for the year		951	435	1,386
Decrease		-	(670)	(670)
Effect of movements in exchange rates		(37)	92	55
Balance at December 31, 2025	**$**	**6,309**	**637**	**6,946**
Balance at January 1, 2024	$	5,322	657	5,979
Depreciation for the year		1,073	623	1,696
Decrease		-	(540)	(540)
Disposal of a subsidiary(note 6(g))		(1,252)	-	(1,252)
Effect of movements in exchange rates		252	40	292
Balance at December 31, 2024	**$**	**5,395**	**780**	**6,175**
Carrying amount:				
Balance at December 31, 2025	**$**	**36,082**	**1,229**	**37,311**
Balance at January 1, 2024	**$**	**41,888**	**1,767**	**43,655**
Balance at December 31, 2024	**$**	**37,955**	**1,221**	**39,176**

(j) Investment property

Investment property refers to assets owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 5 years. Some leases provide the lessees with options to extend at the end of the term. The rental income from investment properties is in fixed amounts.

		Self-owned assets		
		Land	**Buildings and structures**	**Total**
Cost:				
Balance at January 1, 2025	$	32,875	70,164	103,039
Disposal of a subsidiary(note 6(g))		-	167,689	167,689
Additions		-	34,347	34,347
Effect of movements in exchange rates		-	8,651	8,651
Balance at December 31, 2025	**$**	**32,875**	**280,851**	**313,726**

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Self-owned assets		
	Land	Buildings and structures	Total
Balance at January 1, 2024	$ 47,582	50,799	98,381
Disposal of a subsidiary(note 6(g))	-	(2,260)	(2,260)
Disposal	(14,707)	(8,969)	(23,676)
Transferred from inventory	-	29,790	29,790
Effect of movements in exchange rates	-	804	804
Balance at December 31, 2024	$ 32,875	70,164	103,039
Accumulated Depreciation:			
Balance at January 1, 2025	$ -	16,931	16,931
Depreciation for the year	-	2,553	2,553
Effect of movements in exchange rates	-	78	78
Balance at December 31, 2025	$ -	19,562	19,562
Balance at January 1, 2024	$ -	16,415	16,415
Depreciation for the year	-	1,807	1,807
Disposal	-	(926)	(926)
Disposal of a subsidiary(note 6(g))	-	(573)	(573)
Effect of movements in exchange rates	-	208	208
Balance at December 31, 2024	$ -	16,931	16,931
Carrying amount:			
Balance at December 31, 2025	$ 32,875	261,289	294,164
Balance at January 1, 2024	$ 47,582	34,384	81,966
Balance at December 31, 2024	$ 32,875	53,233	86,108

The fair values of the Group's investment property, determined with reference to the recent transaction prices of similar property in the vicinity, are set out as follows:

	December 31, 2025	December 31, 2024
Fair value of investment property	$ 395,891	163,756

(i) Guarantee

As of December 31, 2025 and 2024, the Group's investment property had been pledged as collateral for long-term borrowings. Please refer to Note 8.

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(ii) Disposal

On November 18, 2023, RUI JI Investment entered into a contract for the sale and purchase of movable and immovable property to dispose of an investment property for a consideration of $36,300 thousand. After deducting related costs and expenses, the proceeds were received and the transfer was completed on January 20, 2024. A gain on disposal of investment property amounting to $12,652 thousand was recognized and presented under other gains and losses.

(k) Intangible assets

The costs and amortization of the Group's intangible assets were as follows:

	Computer software
Cost:	
Balance at January 1, 2025	$ 11,129
Acquired separately	539
Balance at December 31, 2025	**$ 11,668**
Balance at January 1, 2024	$ 11,342
Effect of movement in exchange rates	(213)
Balance at December 31, 2024	**$ 11,129**
Accumulated amortization:	
Balance at January 1,2025	$ 5,815
Amortization for the year	843
Effect of movement in exchange rates	30
Balance at December 31, 2025	**$ 6,688**
Balance at January 1, 2024	$ 5,365
Amortization for the year	895
Effect of movement in exchange rates	(445)
Balance at December 31,2024	**$ 5,815**
Carrying Amount:	
Balance at December 31, 2025	**$ 4,980**
Balance at January 1, 2024	**$ 5,977**
Balance at December 31, 2024	**$ 5,314**

During 2025 and 2024, amortization expenses on intangible assets amounted to $843 thousand and $895 thousand, respectively, and were included in operating expenses.

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2025	December 31, 2024
Loans secured by collateral	$ 102,333	66,322
Loans of credit	46,000	46,440
Letters of credit	12,694	14,422
	$ 161,027	**127,184**
Unused short-term credit lines	**$ 55,174**	**108,783**
Range of interest rates(%)	**2.328%-3.000%**	**2.220%-3.650%**

The Group provides bank deposits, certificates of deposit, right-of-use assets, land, and buildings to secure the aforementioned loans, please refer to note 8.

(m) Long-term borrowings

The details were as follows:

Lending bank	Purpose	December 31, 2025	December 31, 2024
Taishin Bank	Plant purchases	$ 62,032	73,721
Mega International Commercial Bank	Plant purchases and working capital	56,994	59,836
Taiwan Cooperative Bank	Investment property purchases and working capital requirement	32,464	43,504
Chang Hwa Bank	Working capital requirement	1,324	8,018
Shanghai Commercial & Savings Bank, Ltd.	Plant purchases and working capital requirement	-	9,642
Bank of China Guannan Branch	Plant purchases and working capital requirement	8,745	-
East West Bank	Office purchases	12,623	23,353
Bank of China	Working capital	15,652	-
		189,834	218,074
Less: current portion		(35,197)	(34,298)
Total		**$ 154,637**	**183,776**
Unused long-term credit lines		**$ -**	**-**
Range of interest rates(%)		**0.500%~7.250%**	**0.500%~9.000%**

The Group has provided bank deposits, certificates of deposit, land, and buildings to secure the aforementioned loans, please refer to note 8.

(n) Bonds payable

The Company's bonds payable were as follows:

	December 31, 2025	December 31, 2024
Secured corporate bonds	$ 300,000	300,000
Less: current portion	(300,000)	-
Carrying amounts	**$ -**	**300,000**

On June 8, 2023, the Company issued its 1st secured ordinary corporate bond under the following conditions:

Amount in issue	$300,000 thousand
Maturity	3years
Maturity	Fixed annual interest rate of 1.50%
Calculation method	From the date of issue, annual simple interest shall be charged according to the coupon rate.
Repayment method	Principal shall be repaid in balloon payment 3 years after the date of issue.
Security method	The corporate bonds are secured by Taiwan Cooperative Bank, Ltd. according to a guaranty agreement.

The Company provides land and buildings to secure the aforementioned bonds; please refer to note 8.

(o) Lease liabilities

Carrying amounts of lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	**$ 567**	**525**
Non-current financial assets	**$ 730**	**781**

For the maturity analysis, please refer to note 6(w) financial instrument.

The amounts recognized in profit or loss was as follows:

	2025	2024
Interest on lease liabilities	**$ 30**	**38**

The amounts recognized in the statement of cash flows by the Group were as follows:

	2025	2024
Total cash outflow for leases	**$ 615**	**598**

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	$ (11,956)	(19,478)
Fair value of plan assets	10,958	11,616
Net defined benefit liabilities	**$ (998)**	**(7,862)**

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company' s Bank of Taiwan labor pension reserve account balance amounted to $10,958 thousand of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

	2025	2024
Defined benefit obligations at January 1	$ (19,478)	(20,074)
Current service costs and interest cost	(307)	(238)
Remeasurements		
－Actuarial (loss) gain arising from financial assumptions	(227)	519
－Gain (loss) arising from experience adjustments	(346)	315
Benefits paid	8,402	-
Defined benefit obligations as of December 31	**$ (11,956)**	**(19,478)**

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements of defined benefit plan assets

The movements in the fair values of the Company's defined benefit plan assets were as follows:

	2025	2024
Fair value of plan assets at January 1	$ 11,616	9,107
Interest income	183	107
Remeasurements		
—Return on plan assets excluding interest income	747	767
Contributions paid by the employer	190	1,635
Benefits paid	(1,778)	-
Fair value of plan assets at December 31	**$ 10,958**	**11,616**

4) Expenses recognized in profit or loss

The expenses recognized by the Company are detailed as follows:

	2025	2024
Net interest of net liabilities for defined benefit obligations	**$ 124**	**131**
Selling expenses	$ 19	36
Administration expenses	97	92
Research and development expenses	8	3
	$ 124	**131**

5) Remeasurements of net defined benefit liabilities recognized in other comprehensive income

Remeasurements of net defined benefit liabilities included in other comprehensive income were as follows:

	2025	2024
Balance at January 1	$ 8,363	6,762
Recognized during the period	174	1,601
Balance at December 31	**$ 8,537**	**8,363**

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2025.12.31	2024.12.31
Discount rate	1.35 %	1.60 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2025 is $180 thousand.

The weighted-average lifetime of the defined benefits plans for the years ended December 31, 2025 and 2024 is 7 and 6 years.

7) Sensitivity Analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	0.25% Increased	0.25% Decreased
December 31, 2025		
Discount rate	$ (227)	233
Future salary increasing rate	231	(226)
December 31, 2024		
Discount rate	(312)	322
Future salary increasing rate	320	(312)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Group allocates 6% of each employee' s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $2,212 thousand and $1,994 thousand for the years ended December 31, 2025 and 2024, respectively.

(iii) During 2025 and 2024, the pension expenses, recognized by overseas subsidiaries pursuant to applicable local laws, amounted to $20,905 thousand and $22,093 thousand, respectively.

(q) Income taxes

(i) The Group's income tax expenses are detailed as follows:

		2025	2024
Current tax expense			
Current period	$	4,498	8,014
Adjustment for prior periods		8,571	33
		13,069	8,047
Deferred tax income			
Origination and reversal of temporary differences		5,079	3,818
Income tax expense excluding tax on sale of discontinued operation	**$**	**18,148**	**11,865**
Income tax expense from continuing operations	$	18,148	11,865
Income tax from discontinued operation		(211)	(1,067)
Income tax expense	**$**	**17,937**	**10,798**

During 2025 and 2024, no income tax was included within other comprehensive income.

The reconciliation of the Group's income tax expense (excluding discontinued operations) to its loss before income tax is presented as follows:

		2025	2024
Losses before tax	**$**	**(12,580)**	**(33,743)**
Income tax using the Company's domestic tax rate	$	(2,516)	(6,749)
rates in foreign jurisdiction and other		18,965	(2,321)
Tax-exempt dividend income		(156)	98
Share of profit of associates and joint ventures accounted for using the equity method		3,206	14,355
Tax effects arising from expenses not recognizable pursuant to laws		1,200	1,200
Difference from prior-year income tax estimate and others		7,115	(2,711)
Change in unrecognized temporary differences		(9,666)	7,993
Total	**$**	**18,148**	**11,865**

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible Temporary Differences	$ **64,619**	**76,237**

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

Deferred Tax Assets:

	Write-downs of inventories	Unused tax losses	Others	Total
Balance at January 1, 2025	$ 7,565	13,427	12,911	33,903
Disposal of a subsidiary(note 6(g))	-	-	(2,416)	(2,416)
Recognized in profit or loss	(1,161)	(2,594)	(1,879)	(5,634)
Foreign currency translation differences for foreign operations	(37)	(108)	(294)	(439)
Balance at December 31, 2025	$ **6,367**	**10,725**	**8,322**	**25,414**
Balance at January 1, 2024	$ 7,710	13,647	11,716	33,073
Recognized in profit or loss	(355)	(526)	817	(64)
Foreign currency translation differences for foreign operations	210	306	378	894
Balance at December 31, 2024	$ **7,565**	**13,427**	**12,911**	**33,903**

Deferred Tax Liabilities:

	Others
Balance at January 1, 2025	$ (7,072)
Recognized in profit or loss	766
Foreign currency translation differences for foreign operations	16
Balance at December 31, 2025	$ **(6,290)**
Balance at January 1, 2024	$ (4,323)
Recognized in profit or loss	(2,687)
Foreign currency translation differences for foreign operations	(62)
Balance at December 31, 2024	$ **(7,072)**

(iii) The Company's income tax returns for the years up to 2023 have been examined and approved by the R.O.C. income tax authorities.

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PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2025, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Total deductible amount		Unused tax losses	Expiry date
2016	$ 6,528	(amount approved)	6,528	2026
2018	1,311	(amount approved)	1,311	2028
2019	70,901	(amount approved)	70,901	2029
2020	45,065	(amount approved)	45,065	2030
2021	1,722	(amount approved)	1,722	2031
2022	4,798	(amount approved)	4,798	2032
2023	28,487	(amount approved)	28,487	2033
2024	18,999	(amount estimated)	18,999	2034
2025	5,653	(amount estimated)	5,653	2035
	$ 183,464		**183,464**	

(v) Since funds are needed for expanding the overseas operations, the earnings of the Company's overseas subsidiaries will not be remitted back in the short run. In accordance with paragraph A39 of IAS 12 "Income Taxes", the earnings' book-tax difference shall be considered permanent.

(r) Capital and other equity

On May 12, 2025, the Company retired 1,085 thousand treasury shares with a carrying amount of $7,936 thousand. As a result, share capital decreased by $10,850 thousand and capital surplus increased by $2,914 thousand. The related amendment to the registration has been duly completed. On June 4, 2010, the Company passed a resolution in a general shareholders' meeting to increase its authorized capital to $2,000,000 thousand. As of December 31, 2025 and 2024, authorized share capital amounted to $2,000,000 thousand with a par value of $10 per share. Paid-in capital amounted to $1,155,348 thousand and $1,166,198 thousand, respectively.

(i) Capital surplus

	December 31, 2025	December 31, 2024
Share premium	$ 1,800	1,800
Treasury share transactions	7,837	4,923
Elapsed share options–convertible bonds issued	18,040	18,040
Employee share options (Expired during the year)	4,076	4,076
	$ 31,753	**28,839**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation provide that, for each fiscal year, any net profit after tax shall first be used to offset accumulated losses (including adjustments to unappropriated earnings). Of the remaining balance, 10% shall be allocated as legal reserve unless the accumulated legal reserve has reached the Company's paid-in capital. Thereafter, a special reserve shall be appropriated or reversed in accordance with applicable laws or regulatory requirements, after which dividends for Class A preferred shares for the current year, as well as any undistributed dividends accumulated from prior years, shall be distributed in priority. Any remaining earnings, together with the undistributed retained earnings at the beginning of the year (including adjustments to unappropriated earnings), shall be distributed based on a profit distribution proposal prepared by the Board of Directors and approved at the shareholders' meeting.

The Company's dividend policy, formulated with consideration of future working capital requirements (WCR), sound financial planning, the investment environment, and the interests of shareholders, stipulates that no less than 10% of distributable earnings shall be distributed to shareholders as cash or stock dividends. If the cash dividend per share is less than $0.2, the Board of Directors may resolve to distribute stock dividends instead. If the stock dividend per share is less than $0.1, the Board of Directors may resolve to distribute cash dividends instead, with such distribution becoming effective upon approval by the shareholders' meeting.

1) Legal reserve

As stipulated by the R.O.C. Company Act, 10% of a company's net profit after tax shall be appropriated as legal reserve until the amount of accumulated legal reserve equals that of total paid-in capital. When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve

In accordance with JIN-GUAN-ZHENG-FA-Zi No.1010012865, the Company re gnized the special reserve from net income of current year and undistributed earnings of prior year for the items deducted from the equity of other shareholders' equity of the current year. For the deducted items for the equity of other shareholders' equity of the prior year, the special reserve should be recognized from undistributed earnings of prior year and cannot be distributed. Subsequently, while there is reversal of deducted items for the equity of other shareholders' equity, the reversal part can be distributed. As of December 31, 2025 and 2024, the balances of special reserve were $64,773 thousand and $133,302 thousand, respectively.

3) Earnings distribution

On June 5, 2025 and June 7, 2024, the earnings appropriation for 2024 and 2023 was resolved in the general shareholders' meetings. The amounts of dividends distributed to owners were as follows:

	2024		2023	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders		$ -		-

(iii) Treasury shares

As stipulated by Article 28-2 of the Securities and Exchange Act, the Company, in order to transfer shares to employees, repurchased 1,085 thousand treasury shares at a cost of $7,936 thousand during 2020. The Company subsequently retired the treasury shares on May 12, 2025.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**
Balance at January 1, 2025	$ (50,486)	(14,287)	(64,773)
Exchange differences on foreign operations	18,302	-	18,302
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	11,821	11,821
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(521)	(521)
Balance at December 31, 2025	**$ (32,184)**	**(2,987)**	**(35,171)**

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PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (113,978)	(24,575)	(138,553)
Exchange differences on foreign operations	63,492	-	63,492
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	2,920	2,920
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	7,368	7,368
Balance at December 31, 2024	**$ (50,486)**	**(14,287)**	**(64,773)**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	2025		
	Continuing operations	**Discontinued operations**	**Total**
Primary geographical markets:			
Asia	$ 801,376	-	801,376
America	111,469	-	111,469
Europe	6,230	-	6,230
Others	2,868	-	2,868
Sales returns and allowances	(895)	-	(895)
Intercompany eliminations	(311,878)	-	(311,878)
	$ 609,170	**-**	**609,170**
Major products/services lines:			
Sale of LEDs	**$ 609,170**	**-**	**609,170**

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	2024		
	Continuing operations	**Discontinued operations**	**Total**
Primary geographical markets:			
Asia	$ 803,065	22,702	825,767
America	112,455	-	112,455
Europe	4,420	-	4,420
Others	2,941	-	2,941
Sales returns and allowances	(1,305)	-	(1,305)
Intercompany eliminations	(288,904)	-	(288,904)
	$ 632,672	**22,702**	**655,374**
Major products/services lines:			
Sale of LEDs	$ 632,672	-	632,672
Sales of real estate	-	22,702	22,702
	$ 632,672	**22,702**	**655,374**

(ii) Contract balances

	December 31, 2025	**December 31, 2024**	**January 1, 2024**
Notes receivable and Accounts receivables	$ 209,038	219,893	219,123
Less: Allowance for impairment	(14,829)	(16,020)	(16,729)
Total	**$ 194,209**	**203,873**	**202,394**
Contract liabilities - sales of real estate	**$ -**	**178,522**	**194,855**

Please refer to note 6(c) for the disclosure of accounts receivable and the impairment thereof.

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were $0 thousand and $22,702 thousand, respectively. For details regarding the disposal of a subsidiary, please refer to note 6(g).

(t) Employee and Director Remunerations

Based on the amendments to the Articles of Incorporation approved on June 5, 2025 if the Company has annual profits, it shall allocate 8% to 12% of the profits as employee remuneration and no more than 3% (inclusive) as director remuneration. However, if the Company has accumulated losses, the amounts shall be set aside in advance to cover such losses. Of the total amount of employee remuneration mentioned above, no less than 60% shall be allocated to entry-level employees. Employee remuneration may be distributed in the form of shares or cash, and the recipients may include employees of subsidiaries who meet certain specified criteria. The conditions for eligibility and the methods of distribution are authorized to be determined by the Board of Directors and shall be reported to the shareholders' meeting. Prior to the amendment, the Articles of Incorporation

(Continued)

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

stipulate that, if the Company had annual profits, it shall allocate 8% to 12% of the profits as employee remuneration and no` more than 3% (inclusive) as director remuneration. The Board of Directors shall resolve to distribute the remunerations in shares or cash, and the recipients may include affiliates’ employees who meet certain conditions. However the company has accumulated losses, the compensation amount should be reserved in advance.

For the years ended 2025 and 2024, the Company incurred accumulated deficits. Accordingly, the estimated amounts of employee remuneration were $0 thousand and $0 thousand, and the estimated amounts of director remuneration were also $0 thousand and $0 thousand, respectively. The estimates were calculated based on the Company’ s profit before tax and before employee and director remuneration for each period, multiplied by the respective allocation percentages stipulated in the Company’ s Articles of Incorporation. These estimated remunerations were recognized as operating expenses for 2025 and 2024. Relevant information is available on the Market Observation Post System. The amounts of employee and director remuneration resolved by the Board of Directors did not differ from the estimated amounts recognized in the Company’ s consolidated financial statements for 2025 and 2024.

(u) Non-operating income and expenses

(i) Other income

	2025	2024
Rent income	$ 6,236	7,360
Dividend income	4,494	1,109
Government grants	1,511	297
Others	23,268	4,213
	$ 35,509	**12,979**

(ii) Other gains and losses

	2025	2024
Losses on disposals of property, plant and equipment	$ (329)	(129)
Gain on Disposal of Investment Property (notes 6(j))	-	12,652
Gain on Disposal of a Subsidiary (notes 6(g))	17,534	2,882
Foreign exchange gains	4,403	22,857
Gains on financial assets at fair value through profit	569	2,013
Others	(3,251)	(5,465)
	$ 18,926	**34,810**

(iii) Finance costs

	2025	2024
Interest expenses on bank loans, lease liabilities, and corporate bonds	**$ (13,840)**	**(14,044)**

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(v) Earnings per share

(i) Basic earnings per share:

1) Profit (loss) attributable to ordinary shareholders of the Company

	2025	2024
Continuing operations	$ (30,852)	(45,711)
Discontinued operations	(849)	(5,428)
Total	**$ (31,701)**	**(51,139)**

2) Weighted-average number of ordinary shares outstanding

	2025	2024
Weighted average number of ordinary shares(In thousands)	**115,535**	**115,535**

(ii) Diluted earnings per share

1) Profit (loss) attributable to ordinary shareholders of the Company (diluted)

	2025	2024
Continuing operations	$ (30,852)	(45,711)
Discontinued operations	(849)	(5,428)
Total	**$ (31,701)**	**(51,139)**

2) Weighted-average number of ordinary shares outstanding (diluted)

	2025	2024
Weighted average number of ordinary shares (diluted) (in thousands)	**115,535**	**115,535**

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

With a broad customer base, the Group's transactions are not concentrated within 1 single customer; therefore, its credit risk associated with accounts receivable is not significantly concentrated.

3) Receivables and debt securities

For credit risk exposure of trade receivables and notes receivable, please refer to note 6(c)

Debt investments at fair value through other comprehensive income include government bonds, listed and unlisted debt securities.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g).

(ii) Liquidity risk

The following table sets out the contractual maturities of financial liabilities, including the impact of estimated interest.

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Bank loans	$ 350,861	364,056	160,358	72,571	53,345	64,778	13,004
Accounts payable	149,834	149,834	149,834	-	-	-	-
Bonds payable	300,000	302,250	302,250	-	-	-	-
Guarantee deposits received	857	857	-	-	857	-	-
Lease liabilities	1,297	1,386	300	298	788	-	-
	$ 802,849	**818,383**	**612,742**	**72,869**	**54,990**	**64,778**	**13,004**
December 31, 2024							
Non-derivative financial liabilities							
Bank loans	$ 345,258	348,257	31,281	137,723	71,134	108,119	-
Accounts payable	166,309	166,309	166,309	-	-	-	-
Bonds payable	300,000	306,750	-	4,500	302,250	-	-
Guarantee deposits received	715	715	-	-	715	-	-
Lease liabilities	1,306	1,362	313	173	594	282	-
	$ 813,588	**823,393**	**197,903**	**142,396**	**374,693**	**108,401**	**-**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Exposure to foreign currency risk

The Group's financial assets and liabilities that were exposed to significant currency risk were as follows:

	December 31, 2025		December 31, 2024	
	Exchange rate	NTD	Exchange rate	NTD
Financial assets				
Monetary items				
USD	$ 31.3800	154,975	32.7350	170,185
CNY	4.4847	236,759	4.4846	305,086
HKD	4.0080	25,801	4.1920	29,601
EUR	36.7000	156	33.9400	73
Myanmar Kyats (MMK)	0.0150	9,184	0.0156	9,035
JPY	0.1988	1	0.2097	1
Indian Rupee (INR)	0.3496	6,599	0.3838	52
		$ 433,475		514,033
Financial liabilities				
Monetary items				
USD	$ 31.3800	199,515	32.7350	137,045
CNY	4.4847	125,413	4.4846	125,787
HKD	4.0080	1,851	4.1920	3,528
Myanmar Kyats (MMK)	0.0150	3,123	-	-
		$ 329,902		266,360

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on financial assets and financial liabilities that are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against foreign currencies as of December 31, 2025 and 2024, with all other variables held constant, would have increased or decreased the profit before tax by $1,036 thousand and $2,477 thousand, respectively.

3) Foreign exchange gain and loss on monetary items

As the Group has various functional currencies, its foreign exchange gains (losses) arising from monetary items are disclosed on an aggregate basis. During 2025 and 2024, (realized and unrealized) foreign exchange gains (losses) amounted to $4,403 thousand and $22,857 thousand.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%， the Group's profit after tax would have decreased/increased by $3,510 thousand and $3,453 thousand for 2025 and 2024 respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowings at variable rates.

(v) Other price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2025		2024	
Prices of securities at the reporting date	**Post-tax other comprehensive income**	**Post-tax profit or loss**	**Post-tax other comprehensive income**	**Post-tax profit or loss**
1% increase	$ 795	228	(559)	87
1% decrease	$ (795)	(228)	559	(87)

(vi) Fair value information

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

(Continued)

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	December 31, 2025				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Domestic Beneficiary Certificates	$ 22,840	22,840	-	-	22,840
Subtotal	22,840	22,840	-	-	22,840
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	32,952	32,952	-	-	32,952
Shares in unlisted entities in China	58,165	-	-	58,165	58,165
Subtotal	91,117	32,952	-	58,165	91,117
Financial assets measured at amortized cost					
Cash and cash equivalents	280,192	-	-	-	-
Notes receivable and accounts receivables	194,209	-	-	-	-
Other financial assets (including current and non-current)	121,677	-	-	-	-
Subtotal	596,078	-	-	-	-
Total	**$ 710,035**	**55,792**	**-**	**58,165**	**113,957**
Financial liabilities at amortized cost					
Bank loans	$ 351,051	-	-	-	-
Accounts payable	149,834	-	-	-	-
Bonds payable	300,000	-	-	-	-
Guarantee deposits received	857	-	-	-	-
Lease liabilities	1,297	-	-	-	-
Total	**$ 803,039**	**-**	**-**	**-**	**-**

	December 31, 2024				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Domestic Beneficiary Certificates	$ 8,702	8,702	-	-	8,702
Subtotal	8,702	8,702	-	-	8,702
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	14,481	14,481	-	-	14,481
Shares in unlisted entities in China	51,835	-	-	51,835	51,835
Subtotal	66,316	14,481	-	51,835	66,316

(Continued)

	December 31, 2024				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	341,429	-	-	-	-
Notes receivable and accounts receivables	203,873	-	-	-	-
Other financial assets (including current and non-current)	155,143	-	-	-	-
Subtotal	700,445	-	-	-	-
Total	$ 775,463	23,183	-	51,835	75,018
Financial liabilities at amortized cost					
Bank loans	$ 345,258	-	-	-	-
Accounts payable	166,309	-	-	-	-
Bonds payable	300,000	-	-	-	-
Guarantee deposits received	715	-	-	-	-
Lease liabilities	1,306	-	-	-	-
Total	$ 813,588	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

If a financial instrument has a quoted price in an active market, that quoted price shall be used as its fair value. The market prices published by major exchanges, as well as the quoted prices of actively traded central government bonds announced by the Taipei Exchange, serve as the basis for determining the fair values of listed equity instruments and debt instruments with an active market.

If the quoted price can be obtained from the securities exchanges, brokers, underwriters, industrial guilds, pricing institutions or official departments timely and frequently, and the price represents the actual and usual transaction of fair market, then the financial instrument has the quoted price in an active market. Once the conditions are not satisfied, the market is considered as inactive. Normally, a significant difference between selling and buying price, a significant increase in the difference between selling and buying price or rare transactions are indicators of inactive market.

Besides the financial instruments above which have the active market, the fair values of other financial instruments are obtained through valuation technique or counterparty quotation. The fair value obtained by valuation technique can refer to the fair value of financial instrument which has the similar substantive conditions and features, the discounted cash flow method or other valuation technique, such as operating the model with market information of the reporting date (e.g. yield curves from securities exchanges and the interest rates of commercial papers from Reuters).

Group's financial instruments that do not have an active market are equity instrument without quoted prices as classified by type and nature. The main assumption is cash flow based on investors' expectation, and the cash flow is discounted by rate of return which reflects the time value of currency and investment risk.

3) Transfers among levels of fair value hierarchy

During 2025 and 2024, there was no transfer from one level of fair value hierarchy to another.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2025	$ 51,835
Total gains and losses	
recognized in other comprehensive income	6,328
exchange differences	2
Balance at December 31, 2025	**$ 58,165**
Balance at January 1, 2024	$ 41,008
Total gains and losses	
recognized in other comprehensive income	9,192
exchange differences	1,635
Balance at December 31, 2024	**$ 51,835**

The aforementioned total gains were recognized in "other comprehensive income". As of December 31, 2025 and 2024, the amounts attributable to the assets held were as follows:

	2025	2024
Total gains and losses recognized:		
In other comprehensive income, and presented in "unrealized gains and losses on financial assets at fair value through other comprehensive income"	$ 6,328	9,192

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group' s financial instrument that uses Level 3 inputs to measure fair value is "financial assets at FVTPL – equity securities investments".

Most of the Group' s financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investments without an active market have multiple significant unobservable inputs. Significant unobservable inputs of the equity investments without an active market are independent of each other, hence no correlation between them.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI– equity investments without an active market	Comparable listed companies approach	·P/B ratio (1.75 to 2.96 and 1.650 to 2.85 as of December 31, 2025 and 2024, respectively) ·Market liquidity discount rate (30.00% and 30.00% as of December 31, 2025 and 2024)	· The higher the multiplier and control premium, the higher the fair value. · The higher the market liquidity discount rate, the lower the fair value

(x) Financial risk management

The Group is exposed to the following risks:

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group’ s objectives, policies, and processes for measuring and managing the aforementioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board is responsible for developing and controlling the Group’s risk management policies.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Accounts receivable

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Finance Department. The limits were reviewed periodically. The transactions between the Group and the clients who are not satisfied the Group's credit rating can only process on the advance receiving basis.

If the Group retains the rights to the products that have already been sold, the Group shall also have the right to require collateral if payment has not been received. The Group does not require any collateral for trade and other receivables.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2025 and 2024, the Group has not provided endorsement/guarantee for any unrelated party.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2025 and 2024, the Group had unused bank facilities of $55,174 thousand and $108,783 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

Please refer to note 6(w)iii(1) for details of currency risk exposure.

2) Interest rate risk

The Group adopts a policy of its exposure to changes in interest rates on borrowings is on a fixed-rate basis.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments as the management of the Group minimizes the risk by holding different investment portfolios. The Group assigned a specific team to supervise and assess the equity price risk so as to avoid or minimize the risk from the hedging position.

(y) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

During 2025 and 2024, the Group adopted the same capital management strategy, which was to ensure the ability to obtain financing at reasonable costs.

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The debt-to-equity ratios on December 31, 2025 and 2024 are below:

	December 31, 2025	December 31, 2024
Total liabilities	$ 853,722	1,098,914
Less: Cash and cash equivalents	280,192	341,429
Net liabilities	**$ 573,530**	**757,485**
Total equity	**$ 1,695,551**	**1,994,072**
Debt-to equity ratio	**34 %**	**38 %**

(z) Investing and financing activities not affecting current cash flow

The Group did not have non-cash investing and financing activities in the years ended December 31, 2025 and 2024.

The movement of debt from financing activities is below:

			Non-cash movement		
	January 1,2025	Cash flow	Foreign exchange movement	Others	December 31, 2025
Short-term borrowings	$ 127,184	49,539	(15,696)	-	161,027
Bonds payable	300,000	-	-	-	300,000
Long-term borrowings	218,074	(27,274)	(966)	-	189,834
Guarantee deposits received	715	138	4	-	857
Lease liability	1,306	(615)	(73)	679	1,297
Total liability from financing activities	**$ 647,279**	**21,788**	**(16,731)**	**679**	**653,015**

			Non-cash movement		
	January 1,2024	Cash flow	Foreign exchange movement	Others	December 31, 2024
Short-term borrowings	$ 184,730	(60,487)	2,941	-	127,184
Bonds payable	300,000	-	-	-	300,000
Long-term borrowings	191,137	25,436	1,501	-	218,074
Guarantee deposits received	911	(200)	4	-	715
Lease liability	1,785	(598)	81	38	1,306
Total liability from financing activities	**$ 678,563**	**(35,849)**	**4,527**	**38**	**647,279**

(7) Related-party transactions

(a) Names and relationship with the Group

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
YUN DING Real Estate Development	Associate
Mr. David Ma	Chairman of the Company

(b) Significant transactions with related parties

(i) Prepayments and others

The Group and Zhejiang Hongcheng entered into a cooperation framework agreement and a supplementary agreement. As the comprehensive land planning has not been approved by the government, YUN DING Real Estate Development has not yet commenced the construction. The prepayments for investments under the agreements are detailed as follows:

Account name	Related party	December 31, 2025	December 31, 2024
	Associate:		
Other non-current financial assets	YUN DING Real Estate Development	$ 35,444	35,443
		(CNY 7,903)	(CNY 7,903)

(ii) Guarantees

The amounts of joint guarantees provided by key management personnel for the Group's loans from financial institutions were as follows:

	December 31, 2025	December 31, 2024
Mr. David Ma	$ 239,844	258,448

As of December 31, 2025 and 2024, the aforementioned endorsements/guarantees provided by the Group have been used.

(c) Key management personnel remuneration

Remuneration package for the Group's key management personnel comprised:

	2025	2024
Short-term employee benefits	$ 9,424	9,031
Post-employment benefits	169	169
	$ 9,593	9,200

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Right-of-use assets (land use right)	Loan guarantee	$ 1,722	1,762
Land (including investment property)	Bank loans and corporate bonds	116,395	116,395
Buildings (including investment property)	Bank loans and corporate bonds	185,839	213,256
Cash, demand deposits, and certificates of deposits (included within other current and non-current financial assets)	Bank loans	113,523	114,434
		$ **417,479**	**445,847**

(9) Significant Commitments and Contingencies:

As of December 31, 2025 and 2024, the unused letters of credit issued by the Company to purchase raw materials amounted to $808 thousand and $1,667 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	For the year ended December 31					
	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	54,634	85,782	140,416	60,865	89,281	150,146
Labor and health insurance	-	3,840	3,840	-	3,662	3,662
Pension	15,234	8,007	23,241	16,143	8,075	24,218
Remuneration of directors	-	225	225	-	270	270
Others	686	7,159	7,845	857	6,974	7,831
Depreciation	16,479	20,930	37,409	15,612	24,596	40,208
Amortization	-	843	843	-	895	895

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(b) Discontinued operation

The Group resolved to dispose of 60% of its equity interest in its subsidiary, MING DING Lian Yun Gang Real Estate Development, at the Board of Directors meeting on March 14, 2025, and completed the disposal on June 30, 2025. The segment was not a discontinued operation nor classified as assets held for sale as of December 31, 2024, and the comparative statement of comprehensive income has been restated to present the discontinued operation separately from continuing operations.

Profit and loss, and cash flows from (used in) discontinued operations are summarized as follows:

	2025	2024
Results of operations of discontinued operations:		
Operating Revenues	$ -	22,702
Operating costs	(1,163)	(27,213)
Gross Loss	(1,163)	(4,511)
Operating expenses	(474)	(3,530)
Net operating loss	(1,637)	(8,041)
Non-operating income and expenses	(3)	(2,072)
Pre-tax loss from discontinued operations	(1,640)	(10,113)
Income tax benefit	211	1,067
Loss for the year	**$ (1,429)**	**(9,046)**
Attributable to:		
Owners of the parent	$ (849)	(5,428)
Non-controlling interests	(580)	(3,618)
Loss from discontinued operations, net of tax	**$ (1,429)**	**(9,046)**
Basic earnings per share (NT dollars)	**$ (0.01)**	**(0.05)**
Diluted earnings per share (NT dollars)	**$ (0.01)**	**(0.05)**
Cash flows from discontinued operations:		
Cash flows from operating activities	$ 28,468	(4,411)
Cash flows from investing activities	1,122	2,306
Cash flows from financing activities	-	(4)
Net Cash Inflow (Outflow)	**$ 29,590**	**(2,109)**

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

Unit: Thousands of NTD

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits (Note2)	Maximum limit of fund financing (Note3)
0	The Company	PARA LIGHT NANJING	Other Receivables	Yes	20,899	-	-	-	1	-	N/A	-	N/A	-	112,379	224,758
1	PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang Investment	Other Receivables	Yes	9,135	-	-	3.3	2	-	Working Capital Requirement(WCR)	-	N/A	-	64,916	129,832
1	PARA LIGHT NANJING	YUN DING Real Estate Development	Other Receivables	Yes	3,654	3,588	3,588	1.2	2	-	Working Capital Requirement(WCR)	3,588	N/A	-	64,916	129,832

Note 1: Transaction counterparty.

2: Entity with short-term financing needs.

Note 2: The maximum limit of loans made by the Company and its subsidiaries to transaction counterparties shall not exceed 10% of the respective counterparty's net worth.

Note 3: The maximum limit of loans made by the Company and its subsidiaries to other parties shall not exceed 20% of the respective counterparty's net worth.

Note 4: The Company's loans to PARA LIGHT NANJING, arising from overdue receivables from sales, amounted to US$640 thousand for the year, and the closing balance was US$0 thousand; related transactions have been written-off. Please refer to note 13(a)vi.

Note 5: PARA LIGHT NANJING has fully recognized impairment losses on its loans to YUN DING Real Estate Development.

(ii) Guarantees and endorsements for other parties:

Unit: Thousands of NTD

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ Guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ Guarantees to third parties on behalf of parent company	Endorsements/ Guarantees to third parties on behalf of companies in Mainland China
0	The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	3	224,758	79,572	62,760	-	-	5.58 %	561,895	Y	N	Y
1	PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang ELECTRONICS	3	129,832	45,676	44,847	22,199	-	6.91 %	324,582	N	N	Y
2	PARA LIGHT Lian Yun Gang ELECTRONICS	PARA LIGHT NANJING	3	108,847	31,973	31,393	31,348	-	5.77 %	272,118	N	N	Y

Note 1: The entity owning more than 50% voting rights in the Company, directly or indirectly.

Note 2: The maximum limit of endorsements/guarantees provided by the Company for subsidiaries in which it holds more than 90% of the equity interests shall not exceed 20% of the Company's net worth; and the maximum limit of endorsements/guarantees provided by subsidiaries for other subsidiaries that are directly or indirectly 100% owned by the parent company shall not exceed 20% of their respective net worth.

Note 3: The maximum limit of endorsements/guarantees provided by the Company and its subsidiaries to external parties is 50% of their respective net worth.

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(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: Thousands of NTD

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Yuanta Taiwan High Dividend Low Volatility ETF	N/A	Current financial assets at FVTPL	60	3,033	- %	3,033	- %	
The Company	Cathay MSCI Taiwan Leaders 50 Select ETF	N/A	Current financial assets at FVTPL	90	2,331	- %	2,331	- %	
The Company	UPAMC Taiwan Growth Active ETF	N/A	Current financial assets at FVTPL	90	1,522	- %	1,522	- %	
The Company	Fuhwa Taiwan Future 50 Active ETF	N/A	Current financial assets at FVTPL	180	1,885	- %	1,885	- %	
The Company	Capital Taiwan Technology Innovation Active ETF	N/A	Current financial assets at FVTPL	180	1,877	- %	1,877	- %	
The Company	Capital Taiwan Select Premium Active ETF	N/A	Current financial assets at FVTPL	90	1,315	- %	1,315	- %	
Rui Ji Investment	Yuanta Taiwan High Dividend Low Volatility ETF	N/A	Current financial assets at FVTPL	60	3,033	- %	3,033	- %	
Rui Ji Investment	Cathay MSCI Taiwan Leaders 50 Select ETF	N/A	Current financial assets at FVTPL	60	1,554	- %	1,554	- %	
Rui Ji Investment	UPAMC Taiwan Growth Active ETF	N/A	Current financial assets at FVTPL	120	2,029	- %	2,029	- %	
Rui Ji Investment	Fuhwa Taiwan Future 50 Active ETF	N/A	Current financial assets at FVTPL	120	1,256	- %	1,256	- %	
Rui Ji Investment	Capital Taiwan Technology Innovation Active ETF	N/A	Current financial assets at FVTPL	120	1,252	- %	1,252	- %	
Rui Ji Investment	Capital Taiwan Select Premium Active ETF	N/A	Current financial assets at FVTPL	120	1,753	- %	1,753	- %	
The Company	Tatung Company	N/A	Current financial assets at FVOCI	15	473	- %	473	- %	
The Company	TECO Electric and Machinery Co., Ltd.	N/A	Current financial assets at FVOCI	15	1,260	- %	1,260	- %	
The Company	Nan Ya Plastics Corporation	N/A	Current financial assets at FVOCI	30	1,806	- %	1,806	- %	
The Company	AcBel Polytech Inc.	N/A	Current financial assets at FVOCI	30	1,269	- %	1,269	- %	
The Company	U-Ming Marine Transport Corporation	N/A	Current financial assets at FVOCI	15	906	- %	906	- %	
The Company	TYNTEK Corporation	N/A	Current financial assets at FVOCI	60	1,032	- %	1,032	- %	
The Company	Wistron Corporation	N/A	Current financial assets at FVOCI	45	6,772	- %	6,772	- %	
The Company	GlobalWafers Co., Ltd.	N/A	Current financial assets at FVOCI	3	1,218	- %	1,218	- %	
Rui Ji Investment	Tatung Company	N/A	Current financial assets at FVOCI	10	315	- %	315	- %	
Rui Ji Investment	TECO Electric and Machinery Co., Ltd.	N/A	Current financial assets at FVOCI	10	840	- %	840	- %	
Rui Ji Investment	Nan Ya Plastics Corporation	N/A	Current financial assets at FVOCI	20	1,204	- %	1,204	- %	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Highest Percentage of ownership (%)	Note
Rui Ji Investment	AcBel Polytech Inc.	N/A	Current financial assets at FVOCI	20	846	- %	846	- %	
Rui Ji Investment	President Chain Store Corporation	N/A	Current financial assets at FVOCI	15	3,323	- %	3,323	- %	
Rui Ji Investment	U-Ming Marine Transport Corporation	N/A	Current financial assets at FVOCI	10	604	- %	604	- %	
Rui Ji Investment	TYNTEK Corporation	N/A	Current financial assets at FVOCI	200	3,440	- %	3,440	- %	
Rui Ji Investment	Wistron Corporation	N/A	Current financial assets at FVOCI	40	6,020	- %	6,020	- %	
Rui Ji Investment	GlobalWafers Co., Ltd.	N/A	Current financial assets at FVOCI	4	1,624	- %	1,624	- %	
PARA LIGHT NANJING	Jiangsu AMICC Opto-Electronics Technology CO., Ltd.	N/A	Non-current financial assets at FVOCI	3,360	58,165	8.00 %	58,165	- %	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: Thousands of NTD

Name of company	Related party	Nature of relationship	Transaction details: Purchase/Sale	Transaction details: Amount	Transaction details: Percentage of total purchases/sales	Transaction details: Payment terms	Transactions with terms different from others: Unit price	Transactions with terms different from others: Payment terms	Notes/Accounts receivable (payable): Ending balance	Notes/Accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Note
The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	Subsidiary	Purchases	129,865 (Note 1)	21.32%	Payment is made based on working capital requirement (WCR)	-		(189,262) (Note 2)	90.08%	

Note 1: Processing fees were paid with materials provided for the purchases.

Note 2: The receivables (payables) due from (to) sub-subsidiaries are presented in net amounts, taking into account accounting treatment for processing with materials provided to suppliers.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: Thousands of NTD

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Overdue: Action taken	Amounts received in subsequent period	Allowance for bad debts
PARA LIGHT Lian Yun Gang ELECTRONICS	The Company	Subsidiary	189,262	2.76%	-		18,348	-

(vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Intercompany transactions: Amount	Intercompany transactions: Trading terms	Intercompany transactions: Percentage of the consolidated net revenue or total assets
0	The Company	PARA USA	1	Operating revenues	43,944	Note 3	7.21%
0	The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	1	Operating revenues	37,627	Note 4	6.18%
0	The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	1	Processing overheads	129,865	Note 6	21.31%
0	The Company	PARA MYANMAR	1	Processing overheads	19,063	Note 6	2.30%
0	The Company	PARA LIGHT NANJING	1	Processing overheads	1,101	Note 6	0.18%
0	The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	1	Accounts receivable due from related parties	7,082	Note 3	1.16%
0	The Company	PARA USA	1	Accounts receivable due from related parties	10,117	Note 3	1.66%

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No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PARA LIGHT Lian Yun Gang ELECTRONICS	1	Accounts payable due from related parties	189,262	Note 4	0.31%
1	PARA LIGHT Lian Yun Gang ELECTRONICS	The Company	2	Sales	129,865	Note 4	21.32%
2	PARA MYANMAR	The Company	2	Processing income	19,063	Note 4	2.30%
3	PARA LIGHT NANJING	The Company	2	Sales	1,101	Note 4	0.16%

Note 1: Numbers are filled in as follows:

1. “0” represents the parent entity.
2. Subsidiaries are sequentially numbered starting from “1”.

Note 2: Relationships with transaction counterparties are categorized as follows:

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

Note 3: Selling price is determined according to market price. Payment term is O/A 120～180 days.

Note 4: Selling price is determined according to market price. Payments are collected according to working capital requirement (WCR) during the collection period.

Note 5: Payments are calculated as book value of fixed assets plus related expenses. Payment term is O/A 120 to 180 days.

Note 6: Processing fees are weighted according to costs. Payment term is O/A 180 days.

(b) Information on investees:

The following is the information about the Group’s investees was as follows for the years ended December 31,2025 (excluding information on investees in Mainland China)

Unit: Thousands of NTD/shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee (Note1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	Para Light Investments	Samoa	Holding company	672,775	672,775	19,009	100.00 %	978,131	100.00 %	3,360	3,992	Subsidiary
The Company	PARA HK	Hong Kong	Selling LEDs and other electronic products	6,305	6,305	1,500	100.00 %	56,598	100.00 %	1,466	1,466	Subsidiary
The Company	Para USA	America	Selling LEDs and other electronic products	44,502	44,502	1,430	100.00 %	54,760	100.00 %	8,862	8,862	Subsidiary
The Company	RUI JI INVESTMENT	Taiwan	General investment	60,000	60,000	6,000	100.00 %	59,626	100.00 %	1,292	1,292	Subsidiary
The Company	EBN Technology	Taiwan	Manufacturing and selling electronic components	69,110	69,110	6,170	18.42 %	19,152	18.42 %	(40,907)	(7,535)	Associate
The Company	PARA MYANMAR	Myanmar	Manufacturing LEDs and other electronic products	268,357	242,649	-	100.00 %	174,489	100.00 %	(30,101)	(30,101)	Subsidiary
The Company	PARA INDIA	India	Selling LEDs and other electronic products	15,597	10,821	-	100.00 %	724	100.00 %	(3,937)	(3,937)	Subsidiary
Para Light Investments	PARA LIGHT NANJING	Mainland China	Manufacturing and selling LEDs and other electronic products	276,014	276,014	-	100.00 %	649,164	100.00 %	4,238	4,238	Subsidiary
Para Light Investments	PARA LIGHT Lian Yun Gang ELECTRONICS	Mainland China	Manufacturing and selling LEDs and other electronic products	326,336	326,336	-	59.94 %	326,215	59.94 %	(2,190)	(1,313)	Subsidiary
PARA HK	PARA LIGHT Lian Yun Gang ELECTRONICS	Mainland China	Manufacturing and selling LEDs and other electronic products	30,665	30,665	-	5.83 %	31,729	5.83 %	(2,190)	(128)	Subsidiary
PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang ELECTRONICS	Mainland China	Manufacturing and selling LEDs and other electronic products	184,115	184,115	-	34.23 %	186,292	34.23 %	(2,190)	(749)	Subsidiary

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee (Note1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
PARA LIGHT NANJING	PARA LIGHT Lian Yun Gang Investment	Mainland China	Investment in general enterprises as well as property development and investment	233,717	233,717	-	94.92 %	205,248	94.92 %	9,646	9,156	Subsidiary
PARA LIGHT NANJING	Nanjing Hongding New Lighting Source	Mainland China	Selling LEDs and other electronic products	1,201	1,201	-	50.00 %	(1,769)	50.00 %	230	115	Subsidiary
PARA LIGHT NANJING	YUN DING Real Estate Development	Mainland China	Real Estate Development	237,419	237,419	-	40.00 %	176,463	40.00 %	-	-	Associate
PARA LIGHT Lian Yun Gang ELECTRONICS	PARA LIGHT Lian Yun Gang Investment	Mainland China	Investment in general enterprises as well as property development and investment	65,010	65,010	-	5.08 %	10,985	5.08 %	9,646	490	Subsidiary
PARA LIGHT Lian Yun Gang Investment	PARA LIGHT Lian Yun Gang Real Estate Development	Mainland China	Property development and investment	189,958	189,958	-	100.00 %	113,375	100.00 %	(3,885)	(3,885)	Subsidiary
PARA LIGHT Lian Yun Gang Investment	MING DING Lian Yun Gang Real Estate Development	Mainland China	Property development and investment	-	185,131	-	- %	-	60.00 %	(1,429)	(849) (Note 2)	Subsidiary

Note 1: Recognized based on the investee company's financial statements audited by a certified public accountant.

Note 2: MING DING Lian Yun Gang Real Estate Development was disposed of on June 30, 2025, and the amount represents the investment loss for the period from January to June 2025.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: Thousands of NTD

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
PARA LIGHT NANJING	Manufacture of electronic components	276,014	(b)	276,014	-	-	276,014	4,238	100.00%	100.00%	4,238	649,164	-
PARA LIGHT Lian Yun Gang ELECTRONICS	Manufacture of electronic components	541,116	(b)	326,336	-	-	326,336	(2,190)	100.00%	100.00%	(2,190)	544,236	-

Note 1: Investments are divided into the following 4 types:

(a) Investment in Mainland China by remitting through a 3rd region.

(b) Indirect investment in Mainland China through an entity established in a 3rd region.

(c) Indirect investment in Mainland China by investing in an existing entity in a 3rd region.

(d) Direct investees in Mainland China.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
602,350	695,765 (Note)	674,274

Note: Including capital increase of $92,223 thousand (USD2,760 thousand) out of retained earnings.

(iii) Significant transactions with investees in Mainland China:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

(a) General information

The Group is divided into 3 reportable segments: Segment A produces and sells LEDs, materials, and LED-related optoelectronic products. Segment B develops and manages real estate. Segment C engages in general investment.

The reportable segments are the Group’ s strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately. The management of the acquired divisions remains employed by the Group.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 “significant accounting policies” except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group’s operating segment information and reconciliation are as follows:

	2025					
	Segment A	**Segment B**	**Segment C**	**Adjustments and eliminations**	**Total**	**Discontinued Operations**
Revenue:						
Revenue from external customers	$ 901,993	-	556	(293,379)	609,170	-
Interest revenue	4,371	-	440	-	4,811	-
Total revenue	**$ 906,364**	**-**	**996**	**(293,379)**	**613,981**	**-**
Interest expenses	$ 13,840	-	-	-	13,840	-
Depreciation and amortization	38,252	-	-	-	38,252	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	(17,077)	-	(1,796)	11,338	(7,535)	-
Reportable segment profit or loss	**$ (40,936)**	**12,494**	**15,862**	**-**	**(12,580)**	**(1,640)**

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	2025					
	Segment A	**Segment B**	**Segment C**	**Adjustments and eliminations**	**Total**	**Discontinued Operations**
Assets:						
Investments accounted for using equity method	$ 195,615	-	-	-	195,615	-
Reportable segment assets	**$ 1,696,997**	**112,539**	**279,294**	**(113,087)**	**1,975,743**	**-**
Reportable segment liabilities	**$ 851,774**	**-**	**115,035**	**(113,087)**	**853,722**	**-**

	2024					
	Segment A	**Segment B**	**Segment C**	**Adjustments and eliminations**	**Total**	**Discontinued Operations**
Revenue:						
Revenue from external customers	$ 906,980	-	-	(274,308)	632,672	22,702
Interest revenue	6,671	7	504	-	7,182	-
Total revenue	**$ 913,651**	**7**	**504**	**(274,308)**	**639,854**	**22,702**
Interest expenses	$ 14,044	-	-	-	14,044	1,656
Depreciation and amortization	41,103	-	-	-	41,103	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	(38,726)	-	(34,497)	72,090	(1,133)	-
Reportable segment profit or loss	**$ (34,677)**	**(22,538)**	**23,472**	**-**	**(33,743)**	**(10,113)**
Assets:						
Investments accounted for using equity method	$ 203,146	-	-	-	203,146	-
Reportable segment assets	**$ 1,522,394**	**135,764**	**295,626**	**(113,542)**	**1,840,242**	**495,259**
Reportable segment liabilities	**$ 978,032**	**18,365**	**4,400**	**(113,542)**	**887,255**	**211,659**