

Great China Metal Ind. Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2025 and 2024
and Independent Auditors' Report**

Address: No. 293-805, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Great China Metal Ind. Co., Ltd.

Opinion

We have audited the financial statements of Great China Metal Ind. Co., Ltd. (collectively referred to as the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the independent financial statements for the year ended December 31, 2025, in accordance with the Regulations Governing Auditing of Financial Statements and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matters identified in the Company's financial statements for the year ended December 31, 2025 are stated as follows :

Revenue recognition

Refer to Note 19 to the financial statements.

Printing and painting of various metals, manufacturing and trading of metal containers and plastic products, are major business of Great China Metal Ind. Co., Ltd. The specific transaction of sales revenue significantly affects the Company's overall revenue and profit. Revenue recognition is identified as a key audit matter since there are significant risks in the occurrence of revenue.

The key audit procedures that we performed in respect of specific revenue recognition included the following:

1. We understood and tested the design and operating effectiveness of the key controls over revenue recognition.
2. We selected samples to perform test of details, checked the transaction documents from internal and external and performed the test of subsequent collection to confirm the Company recognized revenue as the performance obligations were satisfied.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the independent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the independent financial statements. We are responsible for the direction, supervision, and performance of the Company 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 financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Liu, Ming-Hsien and Cheng, Chin-Tsung.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 26, 2026

Notice to Readers

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

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

GREAT CHINA METAL IND. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 228,924	3	\$ 56,652	1
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,638,071	18	1,403,965	16
1120	Financial assets at fair value through other comprehensive income – current (Notes 4 and 8)	553,118	6	406,498	5
1136	Financial assets at amortized cost - current (Notes 4 and 9)	403,306	5	475,088	5
1150	Notes receivable - from unrelated parties (Notes 4 and 10)	25,306	-	30,788	-
1170	Accounts receivable - from unrelated parties (Notes 4 and 10)	303,658	4	303,400	4
1180	Accounts receivable – from related parties (Notes 4, 10 and 25)	28,809	-	33,175	-
1200	Other receivables	2,818	-	2,969	-
130X	Inventories (Notes 4 and 11)	833,698	9	901,671	10
1470	Other current assets	10,479	-	15,584	-
11XX	Total current assets	<u>4,028,187</u>	<u>45</u>	<u>3,629,790</u>	<u>41</u>
	NON-CURRENT ASSETS				
1550	Investments accounted for using equity method (Notes 4 and 12)	4,496,679	50	4,660,269	53
1600	Property, plant and equipment (Notes 4, 13 and 25)	400,751	5	445,030	5
1755	Right-of-use assets (Notes 4 and 14)	4,066	-	10,553	-
1780	Intangible assets (Note 4)	1,280	-	133	-
1840	Deferred tax assets (Notes 4 and 21)	9,851	-	9,574	-
1915	Prepayments for equipment	558	-	62,420	1
1920	Refundable deposits	128	-	128	-
15XX	Total non-current assets	<u>4,913,313</u>	<u>55</u>	<u>5,188,107</u>	<u>59</u>
1XXX	TOTAL ASSETS	<u>\$8,941,500</u>	<u>100</u>	<u>\$8,817,897</u>	<u>100</u>
	Liabilities and Equity				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 15)	\$ 33,064	-	\$ -	-
2150	Notes payable - to unrelated parties	307	-	1,555	-
2170	Accounts payable - to unrelated parties	136,431	2	159,034	2
2180	Accounts payable - to related parties (Note 25)	620	-	4,934	-
2200	Other payables (Note 16)	94,699	1	99,740	1
2230	Current tax liabilities (Notes 4 and 21)	55,083	1	62,088	1
2280	Lease liabilities - current (Notes 4 and 14)	3,871	-	6,658	-
2300	Other current liabilities	16,240	-	10,016	-
21XX	Total current liabilities	<u>340,315</u>	<u>4</u>	<u>344,025</u>	<u>4</u>
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Notes 4 and 21)	421,783	5	455,100	5
2580	Lease liabilities - non-current (Notes 4 and 14)	327	-	4,198	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	14,951	-	14,157	-
25XX	Total non-current liabilities	<u>437,061</u>	<u>5</u>	<u>473,455</u>	<u>5</u>
2XXX	Total liabilities	<u>777,376</u>	<u>9</u>	<u>817,480</u>	<u>9</u>
	EQUITY (Notes 4 and 18)				
	Share capital				
3110	Ordinary shares	<u>3,050,000</u>	<u>34</u>	<u>3,050,000</u>	<u>35</u>
	Capital surplus				
3210	Capital surplus - additional paid-in capital	11,523	-	11,523	-
3220	Capital surplus - treasury stock transactions	12,908	-	12,908	-
3200	Total capital surplus	<u>24,431</u>	<u>-</u>	<u>24,431</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	2,012,320	23	1,962,459	22
3350	Unappropriated earnings	2,414,993	27	2,434,136	28
3300	Total retained earnings	<u>4,427,313</u>	<u>50</u>	<u>4,396,595</u>	<u>50</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	176,421	2	190,052	2
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	485,959	5	339,339	4
3400	Total other equity	<u>662,380</u>	<u>7</u>	<u>529,391</u>	<u>6</u>
3XXX	Total equity	<u>8,164,124</u>	<u>91</u>	<u>8,000,417</u>	<u>91</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$8,941,500</u>	<u>100</u>	<u>\$8,817,897</u>	<u>100</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated February 26, 2026)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chen, Wen-Ching

GREAT CHINA METAL IND. CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Code		For the Year Ended December 31, 2025		For the Year Ended December 31, 2024	
		Amount	%	Amount	%
	OPERATING REVENUE				
4100	Sales (Notes 4, 19 and 25)	\$2,331,139	100	\$2,308,059	100
	OPERATING COST				
5110	Cost of goods sold (Notes 11, 20, and 25)	(1,868,435)	(80)	(1,775,254)	(77)
5900	GROSS PROFIT	<u>462,704</u>	<u>20</u>	<u>532,805</u>	<u>23</u>
	OPERATING EXPENSES (Notes 20 and 25)				
6100	Selling and marketing expenses	(46,158)	(2)	(46,340)	(2)
6200	General and administrative expenses	(74,931)	(3)	(78,730)	(3)
6000	Total operating expenses	(121,089)	(5)	(125,070)	(5)
6900	PROFIT FROM OPERATIONS	<u>341,615</u>	<u>15</u>	<u>407,735</u>	<u>18</u>
	NON-OPERATING INCOME AND EXPENSES (Note 20)				
7100	Interest revenue	9,008	-	10,937	-
7010	Other revenue	16,156	1	17,355	1
7020	Other gains and losses	36,495	1	11,740	1
7050	Finance costs	(91)	-	(151)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method	<u>61,753</u>	<u>3</u>	<u>172,552</u>	<u>7</u>
7000	Total non-operating income and expenses	<u>123,321</u>	<u>5</u>	<u>212,433</u>	<u>9</u>
7900	PROFIT BEFORE INCOME TAX	\$ 464,936	20	620,168	27
7950	INCOME TAX EXPENSE (Notes 4 and 21)	(68,032)	(3)	(121,832)	(6)
8200	NET PROFIT FOR THE YEAR	<u>396,904</u>	<u>17</u>	<u>498,336</u>	<u>21</u>
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(233)	-	345	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	146,620	6	152,740	7
8349	Income tax expense relating to items that will not be reclassified subsequently to profit or loss	<u>47</u>	<u>-</u>	<u>(69)</u>	<u>-</u>
		<u>146,434</u>	<u>6</u>	<u>153,016</u>	<u>7</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(13,631)	-	140,712	6
8300	Other comprehensive income (loss) for the year, net of income tax	<u>132,803</u>	<u>6</u>	<u>293,728</u>	<u>13</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 529,707</u>	<u>23</u>	<u>\$ 792,064</u>	<u>34</u>
	EARNINGS PER SHARE (Note 22)				
	Form continuing operation				
9710	Basic	<u>\$ 1.30</u>		<u>\$ 1.63</u>	
9810	Diluted	<u>\$ 1.30</u>		<u>\$ 1.63</u>	

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated February 26, 2026)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chen, Wen-Ching

GREAT CHINA METAL IND. CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code		Share capital	Capital surplus		Retained earnings		Other equity		Total equity
			Additional paid-in capital	Treasury stock transactions	Legal reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
A1	BALANCE AT DECEMBER 31, 2023	3,050,000	11,523	12,908	1,918,027	2,315,456	49,340	186,599	7,543,853
	Appropriation of 2023 earnings (Note 18)								
B1	Legal reserve	-	-	-	44,432	(44,432)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(335,500)	-	-	(335,500)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	498,336	-	-	498,336
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>140,712</u>	<u>152,740</u>	<u>293,728</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,612</u>	<u>140,712</u>	<u>152,740</u>	<u>792,064</u>
Z1	BALANCE AT DECEMBER 31, 2024	3,050,000	11,523	12,908	1,962,459	2,434,136	190,052	339,339	8,000,417
	Appropriation of 2024 earnings (Note 18)								
B1	Legal reserve	-	-	-	49,861	(49,861)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(366,000)	-	-	(366,000)
D1	Net profit for the year ended December 31, 2025	-	-	-	-	396,904	-	-	396,904
D3	Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186)</u>	<u>(13,631)</u>	<u>146,620</u>	<u>132,803</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396,718</u>	<u>(13,631)</u>	<u>146,620</u>	<u>529,707</u>
Z1	BALANCE AT DECEMBER 31, 2025	<u>\$3,050,000</u>	<u>\$ 11,523</u>	<u>\$ 12,908</u>	<u>\$2,012,320</u>	<u>\$2,414,993</u>	<u>\$ 176,421</u>	<u>\$ 485,959</u>	<u>\$8,164,124</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated February 26, 2026)

Chairman : Chiang, Ming-Li

President Chiang, Ming-Te

Finance Director : Chen, Wen-Ching

GREAT CHINA METAL IND. CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 464,936	\$ 620,168
A20010	Adjustments for:		
A20100	Depreciation expenses	130,964	131,841
A20210	Amortization expenses	203	27
A20400	Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(14,178)	(13,156)
A20900	Finance costs	91	151
A21200	Interest income	(9,008)	(10,937)
A21300	Dividend income	(11,317)	(9,806)
A22400	Share of loss of associates accounted for using the equity method	(61,753)	(172,552)
A23800	Impairment and scrapped losses on inventory	1,571	2,465
A23900	Unrealized gain from trading with subsidiaries	(493)	(618)
A24100	Unrealized net loss (gain) on foreign currency exchange	3,745	(715)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(219,928)	(278,092)
A31130	Notes receivable	5,482	3,316
A31150	Accounts receivable	4,145	31,622
A31180	Other receivables	55	383
A31200	Inventories	66,402	(66,142)
A31240	Other current assets	5,105	31,478
A32130	Notes payable	(1,248)	1,020
A32150	Accounts payable	(27,623)	66,354
A32180	Other payable	(4,083)	113
A32230	Other current liabilities	6,224	7,476
A32240	Net defined benefit liabilities	561	312
A33000	Cash generated from operations	339,853	344,708
A33100	Interest received	9,319	10,823
A33300	Interest paid	(91)	(151)
A33500	Income tax paid	(108,584)	(101,634)
AAAA	Net cash generated from operating activities	<u>240,497</u>	<u>253,746</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Payments for financial assets at fair value through other comprehensive income	-	(914)
B00040	Payments for financial assets at amortized cost	(855,575)	(953,670)
B00050	Proceeds from sale of financial assets at amortized cost	927,357	1,096,218
B02700	Payments for property, plant and equipment	(19,816)	(12,349)
B04500	Purchase on intangible assets	(270)	(160)
B07100	Increase in prepayments for equipment	(558)	(61,745)
B07600	Dividend received	11,102	9,446
B09900	Investment accounted for using equity method- Profit from investment in subsidiaries	212,205	-
BBBB	Net cash generated from investing activities	<u>274,445</u>	<u>76,826</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	29,988	-
C00200	Decrease in short-term borrowings	-	(77,122)
C04020	Repayment of the principal portion of lease liabilities	(6,658)	(6,271)
C04500	Dividends paid	(366,000)	(335,500)
CCCC	Net cash used in financing activities	<u>(342,670)</u>	<u>(418,893)</u>
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	172,272	(88,321)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>56,652</u>	<u>144,973</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 228,924</u>	<u>\$ 56,652</u>

The accompanying notes are an integral part of the independent financial statements.
(With Deloitte & Touche auditors' report dated February 26, 2026)

Chairman : Chiang, Ming-Li

President : Chiang, Ming-Te

Finance Director : Chen, Wen-Ching

GREAT CHINA METAL IND. CO., LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Great China Metal Ind. Co., Ltd. (collectively referred to as “the Company”) was incorporated in November, 1973, under the provisions of the Company Act of the Republic of China (R.O.C.). The major business of the Company is to provide printing services for metal, manufacturing and selling metal containers, other plastic products, and packing machines.

In August 1990, Great China Metal Ind. Co., Ltd. became a publicly listed company on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on February 24, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the amendments to IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a significant effect on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature- dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the financial statements were authorized for issue, the Company assessed that the amendments to other standards will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendment to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- (1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- (2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- (3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as 'other' only if it cannot find a more informative label.
- (4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- (5) The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- (6) Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The independent financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the reporting period,
- (3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period; and income and expense items are translated at the average exchange rates for the current period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is calculated as equity transaction and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

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

Subsidiaries are the entities controlled by the Company.

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

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

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

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When assessing impairments, the Company considers the cash-generating unit as a whole in the financial statements, and compares the recoverable amount with the carrying amount. When the recoverable amount of asset increase, a reversal of an impairment loss is recognized in profit or loss, but only carrying amount after the impairment loss being reversed shall not exceed the carrying amount of the asset after deducting the amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction purposes are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis. On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

(1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

(2) Derecognition

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

- i. Impairment of property, plant and equipment, right-of-use assets, intangible assets and contract assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to the group which the asset belongs.

The Company performs impairment testing for intangible assets which have still not available for use, if any indication of impairment exists, or at least once a year.

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

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

- j. Financial instruments

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

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

(1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is designated as at FVTPL. A mandatory financial asset measured at fair value through profit and loss includes such equity instrument investments that are not specified at fair value through other comprehensive gains and losses not designated by the Company and such investment into liability instruments inconsistent with the classification as measured at amortized costs or measured at fair value through other comprehensive gains and losses.

The net gain or loss recognized in profit or loss on such a financial asset. Fair value is determined in the manner described in Note 24.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and notes receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The term "credit-impaired financial assets" as set forth herein denotes that where the issuer or debtor who has experienced major financial difficulties, defaults and where the debtor is likely to apply for bankruptcy or other financial reorganization, or where the active market for financial assets disappears due to financial difficulties. The term "cash equivalents" herein includes time deposits that are highly liquid within three months from the date of acquisition and could be converted into cash of a fixed amount at any time with little risk of value changes, as used to satisfy short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The allowance loss of debt instrument investment measured at fair value through other comprehensive income is, nevertheless, recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

(2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

(3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods is recognized when the goods are delivered to the customer's designated destination, once the goods are shipped, or once the goods are delivered. In either case, the Company has transferred to the customer the significant risks and rewards of ownership of the goods. The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases which are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

(1) Short-term employee benefits

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

(2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

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

(1) Current tax

The Company determines the current income (loss) in accordance with the regulations established by income tax authorities in each region, and calculates the payable (recoverable) income tax.

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

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

(2) Deferred tax

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

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

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

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

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

(3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 198	\$ 173
Checking accounts and demand deposits	34,071	28,838
Cash equivalent (investments with original maturities of less than 3 months)		
Certificate deposit in bank	150,747	27,641
Repurchase bond	43,908	-
	<u>\$ 228,924</u>	<u>\$ 56,652</u>

The market rate intervals of cash in bank and certificate deposit in bank with original maturities of less than 3 months, at the end of the reporting period were as follows:

	December 31, 2025	December 31, 2024
Cash in bank	0.01%~0.71%	0.01%~0.80%
Certificate deposit in the bank with original maturities of less than 3 months	1.29%~3.85%	1.29%
Repurchase bond with original maturities of less than 3 months	3.7%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2025	December 31, 2024
<u>Financial Assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Beneficiary Certification for open ended fund	<u>\$ 1,638,071</u>	<u>\$ 1,403,965</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2025	December 31, 2024
<u>Current</u>		
Equity instrument at fair value through other comprehensive income	<u>\$ 553,118</u>	<u>\$ 406,498</u>
<u>Equity instruments</u>		
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares	<u>\$ 553,118</u>	<u>\$ 406,498</u>

These investments in equity instruments are held for strategic purposes with the expectation of receiving dividends and selling them for profit. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2025	December 31, 2024
<u>Current</u>		
Domestic investments		
Restricted assets—bank deposit	\$ 58,234	\$ 79,895
Certificate deposit in bank with original maturities of more than 3 months	<u>345,072</u>	<u>395,193</u>
Total	<u>\$ 403,306</u>	<u>\$ 475,088</u>

The market rate intervals of certificate deposit in bank with original maturities of more than 3 months, for the year ended December 31, 2025 and 2024 were 1.44% ~4.10% and 1.42%~4.70%.

For pledge of financial assets at amortized cost, refer to Note 26.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2025	December 31, 2024
<u>Notes receivable</u>		
At amortized cost		
Gross Carrying amount	\$ 25,306	\$ 30,788
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 25,306</u>	<u>\$ 30,788</u>
<u>Accounts receivable - from unrelated parties</u>		
At amortized cost		
Gross Carrying amount	\$ 303,658	\$ 303,400
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 303,658</u>	<u>\$ 303,400</u>

	December 31, 2025	December 31, 2024
<u>Accounts receivable - from related parties</u>		
At amortized cost		
Gross Carrying amount	\$ 28,809	\$ 33,175
Less: Allowance for impairment loss	-	-
	<u>\$ 28,809</u>	<u>\$ 33,175</u>

a. Accounts receivable

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on account receivables are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry, considerations of GDP forecast and industry trend. The expected credit loss rate for the year ended December 31, 2025 and 2024 were both 0%.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of accounts receivable were as follows:

	December 31, 2025	December 31, 2024
Not overdue	\$ 322,528	\$ 319,676
1~60 days	9,939	16,899
61~90 days	-	-
91~180 days	-	-
Over 181 days	-	-
Total	<u>\$ 332,467</u>	<u>\$ 336,575</u>

The above aging schedule was based on the number of overdue days from the posting date.

b. Notes receivable

The aging analysis of notes receivables were as follows:

	December 31, 2025	December 31, 2024
Not overdue	\$ 25,306	\$ 30,788
Overdue	-	-
Total	<u>\$ 25,306</u>	<u>\$ 30,788</u>

The above aging schedule was based on the number of overdue days from the posting date.

11. INVENTORIES

	December 31, 2025	December 31, 2024
Finished goods	\$ 272,025	\$ 315,989
Work-in-progress	74,509	65,597
Raw materials	334,834	364,734
Leftover bits and pieces	125,677	143,165
Materials for subcontractor	26,624	10,959
Others	29	1,227
	<u>\$ 833,698</u>	<u>\$ 901,671</u>

The natures of cost of goods sold are as follows:

	December 31, 2025	December 31, 2024
Cost of goods sold	\$ 1,866,445	\$ 1,772,789
Loss on inventory write-downs and retirement	1,571	2,465
Unallocated manufacturing expenses	419	-
	<u>\$ 1,868,435</u>	<u>\$ 1,775,254</u>

12. INVESTMENTS IN EQUITY METHOD

	December 31, 2025	December 31, 2024
Subsidiaries	<u>\$ 4,496,679</u>	<u>\$ 4,660,269</u>
HAI HWA INVESTMENT CO., LTD.	\$ 4,033,378	\$ 4,199,462
GCM HOLDING CO., LTD.	<u>463,301</u>	<u>460,807</u>
	<u>\$ 4,496,679</u>	<u>\$ 4,660,269</u>

The equity and voting rights in subsidiaries at December 31, 2025 and 2024 were both 100%.

Refer to Note 29 for details of the subsidiaries which are indirectly held by the Company.

The investments accounted for using equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2025 and 2024 were based on the financial statements audited by the auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2025	\$ 59,074	\$482,814	\$2,717,617	\$ 69,382	\$ 13,074	\$ 51,836	\$ 42,766	\$ -	\$3,436,563
Additions	-	127	77,506	-	1,496	409	660	-	80,198
Disposals	-	-	-	-	(700)	(98)	(1,714)	-	(2,512)
Balance at December 31, 2025	<u>\$ 59,074</u>	<u>\$482,941</u>	<u>\$2,795,123</u>	<u>\$ 69,382</u>	<u>\$ 13,870</u>	<u>\$ 52,147</u>	<u>\$ 41,712</u>	<u>\$ -</u>	<u>\$3,514,249</u>
Accumulated depreciation									
Balance at January 1, 2025	\$ -	\$327,195	\$2,491,777	\$ 59,598	\$ 12,444	\$ 48,700	\$ 42,038	\$ -	\$2,981,752
Disposals	-	-	-	-	(700)	(98)	(1,714)	-	(2,512)
Depreciation expense	-	7,597	113,401	1,405	629	961	484	-	124,477
Balance at December 31, 2025	<u>\$ -</u>	<u>\$334,792</u>	<u>\$2,605,178</u>	<u>\$ 61,003</u>	<u>\$ 12,373</u>	<u>\$ 49,563</u>	<u>\$ 40,808</u>	<u>\$ -</u>	<u>\$3,103,717</u>
Accumulated impairment									
Balance at January 1, 2025	\$ -	\$ -	\$ 9,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,781
Impairment loss	-	-	-	-	-	-	-	-	-
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,781</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Carrying amounts at December 31, 2025	\$ 59,074	\$148,149	\$ 180,164	\$ 8,379	\$ 1,497	\$ 2,584	\$ 904	\$ -	\$ 400,751
Cost									
Balance at January 1, 2024	\$ 59,074	\$478,366	\$2,710,872	\$ 70,368	\$ 13,074	\$ 50,013	\$ 42,818	\$ -	\$3,424,585
Additions	-	4,572	6,991	1,186	-	1,643	192	-	14,584
Disposals	-	(124)	(475)	(1,714)	-	(49)	(244)	-	(2,606)
Reclassification	-	-	229	(458)	-	229	-	-	-
Balance at December 31, 2024	\$ 59,074	\$482,814	\$2,717,617	\$ 69,382	\$ 13,074	\$ 51,836	\$ 42,766	\$ -	\$3,436,563
Accumulated depreciation									
Balance at January 1, 2024	\$ -	\$319,735	\$2,376,833	\$ 60,020	\$ 12,023	\$ 48,182	\$ 41,890	\$ -	\$2,858,683
Disposals	-	(124)	(475)	(1,714)	-	(49)	(244)	-	(2,606)
Depreciation expense	-	7,584	115,414	1,303	421	561	392	-	125,675
Reclassification	-	-	5	(11)	-	6	-	-	-
Balance at December 31, 2024	\$ -	\$327,195	\$2,491,777	\$ 59,598	\$ 12,444	\$ 48,700	\$ 42,038	\$ -	\$2,981,752
Accumulated impairment									
Balance at January 1, 2024	\$ -	\$ -	\$ 9,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,781
Impairment loss	-	-	-	-	-	-	-	-	-
Balance at December 31, 2024	\$ -	\$ -	\$ 9,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,781
Carrying amounts at December 31, 2024	\$ 59,074	\$155,619	\$ 216,059	\$ 9,784	\$ 630	\$ 3,136	\$ 728	\$ -	\$ 445,030

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the asset:

Building	
Main buildings	20 - 36 years
Engineering system	2 - 17 years
Machinery and Equipment	2 - 10 years
Utility Equipment	
Air conditioner pipe	35 years
Other power equipment	2 - 15 years
Transportation Equipment	2 - 5 years
Office Equipment	2 - 6 years
Other Equipment	2 - 7 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts		
Buildings	\$ 3,103	\$ 8,947
Transportation Equipment	963	1,606
	<u>\$ 4,066</u>	<u>\$ 10,553</u>
	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 1,927</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 5,844	\$ 5,845
Transportation Equipment	643	321
	<u>\$ 6,487</u>	<u>\$ 6,166</u>

b. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amounts		
Current	\$ 3,871	\$ 6,658
Non-current	<u>\$ 327</u>	<u>\$ 4,198</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Buildings	1.1%	1.1%
Transportation Equipment	1.49%	1.49%

c. Other lease information

The Company leases certain assets which qualify as short-term leases. The Company has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Expenses relating to short-term leases	\$ 1,601	\$ 1,723
Expenses relating to low-value asset leases	\$ 84	\$ 95
Total cash (outflow) for leases	<u>(\$ 8,434)</u>	<u>(\$ 8,240)</u>

15. SHORT-TERM BORROWINGS

	December 31, 2025	December 31, 2024
<u>Unsecured borrowings</u>		
— Bank loans for working capital	\$ 33,064	\$ -

The rate intervals of bank revolving loan at December 31, 2025 was 2.13%~4.39%.

16. OTHER PAYABLES

	December 31, 2025	December 31, 2024
Payables for salaries and bonuses	\$ 57,748	\$ 62,972
Payables for utility bills	5,919	5,835
Payable for annual leave	5,137	5,122
Freight payable	2,117	3,247
Payables for purchases of equipment	1,860	2,818
Other	21,918	19,746
	<u>\$ 94,699</u>	<u>\$ 99,740</u>

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 22,375	\$ 20,895
Fair value of plan assets	(7,424)	(6,738)
Net defined benefit liability	<u>\$ 14,951</u>	<u>\$ 14,157</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2024	\$ 19,347	(\$ 5,157)	\$ 14,190
Service cost			
Current service cost	244	-	244
Net interest expense (income)	242	(65)	177
Recognized in profit or loss	<u>486</u>	<u>(65)</u>	<u>421</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,407)	(1,407)
Actuarial loss - experience adjustments	<u>1,062</u>	<u>-</u>	<u>1,062</u>
Recognized in other comprehensive income	<u>1,062</u>	<u>(1,407)</u>	<u>(345)</u>
Contributions from the employer	<u>-</u>	<u>(109)</u>	<u>(109)</u>
Balance at December 31, 2024	<u>\$ 20,895</u>	<u>(\$ 6,738)</u>	<u>\$ 14,157</u>
Balance at January 1, 2025	\$ 20,895	(\$ 6,738)	\$ 14,157
Service cost			
Current service cost	480	-	480
Net interest expense (income)	313	(102)	211
Recognized in profit or loss	<u>793</u>	<u>(102)</u>	<u>691</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(454)	(454)
Actuarial loss - experience adjustments	<u>687</u>	<u>-</u>	<u>687</u>
Recognized in other comprehensive income	<u>687</u>	<u>(454)</u>	<u>233</u>
Contributions from the employer	<u>-</u>	<u>(130)</u>	<u>(130)</u>
Balance at December 31, 2025	<u>\$ 22,375</u>	<u>(\$ 7,424)</u>	<u>\$ 14,951</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- (1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- (2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- (3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.34%	1.5%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2025	December 31, 2024
Discount rate(s)		
0.25% increase	(\$ 380)	(\$ 243)
0.25% decrease	<u> \$ 403</u>	<u> \$ 259</u>
Expected rate(s) of salary increase		
1% increase	<u> \$ 783</u>	<u> \$ 1,140</u>
1% decrease	(<u> \$ 694</u>)	(<u> \$ 902</u>)

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

	December 31, 2025	December 31, 2024
Expected contributions to the plans for the next year	<u> \$ 129</u>	<u> \$ 129</u>
Average duration of the defined benefit obligation	7.1years	14years

18. EQUITY

a. Share capital

Common shares

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	<u>330,000</u>	<u>330,000</u>
Shares authorized	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>
Number of shares issued and fully paid (in thousands)	<u>305,000</u>	<u>305,000</u>
Shares issued	<u>\$ 3,050,000</u>	<u>\$ 3,050,000</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and to once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The dividends policy of the Company shall be made according to the Company's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Company is growth steadily. Consider in future operating expansion plans, dividends are distributed in a coordinated manner with cash dividends and share dividends. The cash dividend is about 50% to 100% and the share dividend is about 50% to 0%. The Company may adjust the distribution ratio of cash dividends and share dividends, if necessary, which depending on factors such as economic conditions, industrial development and capital needs.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 approved in the shareholders' meetings on May 26, 2025 and on May 28, 2024, respectively, were as follows:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Legal reserve	<u>\$ 49,861</u>	<u>\$ 44,432</u>
Cash dividends	<u>\$ 366,000</u>	<u>\$ 335,500</u>
Cash dividends per share	\$ 1.2	\$ 1.1

The appropriation of earnings for 2025 had been proposed by the Company's board of directors on February 24 2026. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2025
Legal reserve	<u>\$ 39,672</u>
Cash dividends	<u>\$ 335,500</u>
Cash dividends per share	\$ 1.1

The appropriation of earnings for 2025 is subject to the resolution of the shareholders' meeting to be held on June, 2026.

19. Revenue

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Revenue from contracts with customers		
Sale of goods	<u>\$ 2,331,139</u>	<u>\$ 2,308,059</u>

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Bank deposit	<u>\$ 9,008</u>	<u>\$ 10,937</u>

b. Other income

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Dividend income	\$ 11,317	\$ 9,806
Others	<u>4,839</u>	<u>7,549</u>
	<u>\$ 16,156</u>	<u>\$ 17,355</u>

c. Other gains and losses

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily at FVTPL	\$ 14,178	\$ 13,156
Net foreign exchange gains (losses)	22,330	(1,402)
Others	<u>(13)</u>	<u>(14)</u>
	<u>\$ 36,495</u>	<u>\$ 11,740</u>

d. Finance costs

For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
<u>\$ 91</u>	<u>\$ 151</u>

e. Depreciation and amortization

For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
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Depreciation expense by function

Operating costs

\$ 124,008 \$ 125,206

Operating expenses

6,956 6,635

\$ 130,964 \$ 131,841

Amortization expense by function

Operating costs

\$ - \$ -

Operating expenses

203 27

\$ 203 \$ 27

f. Employee benefits expense

For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
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Post-employment benefits

Defined contribution plans

\$ 7,986 \$ 7,822

Defined benefit plans (Note 17)

691 421

8,677 8,243

Other employee benefits

Salary expenses

176,147 178,109

Labor and health insurance expenses

20,172 19,235

Others

30,445 32,344

226,764 229,688

Total

\$ 235,441 \$ 237,931

An analysis of employee benefits expense by function

Operating costs

\$ 168,731 \$ 165,420

Operating expenses

66,710 72,511

\$ 235,441 \$ 237,931

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024 which have been approved by the Company's board of directors on February 24, 2026 and February 25, 2025, respectively, were as follows:

Amount

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
	Cash	Cash
Employees' compensation	\$ 9,686	\$ 12,920
Remuneration of directors	9,686	12,920

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Current tax		
In respect of the current year	\$ 98,694	\$ 92,944
Income tax expense of unappropriated earnings	3,248	3,069
Adjustment for prior periods	(363)	(707)
	<u>101,579</u>	<u>95,306</u>
Deferred tax		
In respect of the current year	(33,547)	26,526
Income tax expense recognized in profit or loss	<u>\$ 68,032</u>	<u>\$ 121,832</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Net income before tax from continuing operations	<u>\$ 464,936</u>	<u>\$ 620,168</u>
Income tax expense calculated at the statutory rate	\$ 92,987	\$ 124,034
Nondeductible expenses in determining taxable income	85	86
Deferred tax effects of subsidiary earnings	(22,789)	-
Tax-exempt income	(5,136)	(4,650)
Additional income tax on unappropriated earnings	3,248	3,069
Adjustments for prior year's tax	(363)	(707)
Income tax expense recognized in profit or loss	<u>\$ 68,032</u>	<u>\$ 121,832</u>

b. Deferred tax assets and liabilities

Movement for deferred tax assets and liabilities is as follow:

For the Year Ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Defined benefit obligation	\$ 2,831	\$ 111	\$ 47	\$ 2,989
Payable for annual leave	1,054	3	-	1,057
Unrealized inventory write-downs	4,042	315	-	4,357
Others	1,647	(199)	-	1,448
	<u>\$ 9,574</u>	<u>\$ 230</u>	<u>\$ 47</u>	<u>\$ 9,851</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings from subsidiary	\$455,010	(\$ 33,227)	\$ -	\$421,783
Others	90	(90)	-	-
	<u>\$455,100</u>	<u>(\$ 33,317)</u>	<u>\$ -</u>	<u>\$421,783</u>

For the Year Ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred Tax Assets</u>				
Temporary differences				
Defined benefit obligation	\$ 2,838	\$ 62	(\$ 69)	\$ 2,831
Payable for annual leave	976	78	-	1,054
Unrealized inventory write-downs	3,549	493	-	4,042
Others	1,560	87	-	1,647
	<u>\$ 8,923</u>	<u>\$ 720</u>	<u>(\$ 69)</u>	<u>\$ 9,574</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings from subsidiary	\$426,912	\$ 28,098	\$ -	\$455,010
Others	942	(852)	-	90
	<u>\$427,854</u>	<u>\$ 27,246</u>	<u>\$ -</u>	<u>\$455,100</u>

c. Income tax assessments

Income tax returns of the Company through 2023 have been examined and cleared by the tax authorities.

22. EARNINGS PER SHARE

Net Profit for Current year

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Net Profit Attributable to Owners of the parent	<u>\$ 396,904</u>	<u>\$ 498,336</u>

Number of Shares (In Thousands)

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Weighted average number of ordinary shares used in computation of basic earnings per share	305,000	305,000
Dilutive effects		
-employees' compensation or bonus issue to employees	<u>570</u>	<u>642</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>305,570</u>	<u>305,642</u>

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

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged in the past 2 years.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

24. FINANCIAL INSTRUMENTS

a. Fair value information—The relevant financial instruments not measured by fair value

The Company management believes that the book value of financial assets and financial liabilities that are not measured by fair value is close to the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	<u>\$1,638,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,638,071</u>
Financial assets at fair value through Other comprehensive income				
Equity instruments				
— Shares of publicly quoted entity	<u>\$ 553,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,118</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	<u>\$1,403,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,403,965</u>
Financial assets at fair value through Other comprehensive income				
Equity instruments				
— Shares of publicly quoted entity	<u>\$ 406,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,498</u>

There were no transfers between Level 1 and 2 in the current and prior periods.

c. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily at FVTPL	\$ 1,638,071	\$ 1,403,965
Financial assets at amortized cost (1)	992,807	902,072
Financial assets at fair value through other comprehensive income		
Equity instruments	553,118	406,498
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	200,856	195,868

(1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investment, notes receivable, accounts receivable and other receivables.

(2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, notes payable, accounts payable and other payables.

d. Financial risk management objectives and policies

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

The Company sought to minimize the effects of these risks by using financial derivatives to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written guidelines on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(1) Market risk

The Company's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within natural hedges. Hence, change of market exchange rate would change the fair value of related financial instrument.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Company was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Company's sensitivity to a 3% increase and decrease in New Taiwan dollars (the functional currency) against USD. The Company's sensitivity to a 3% increase and decrease in NTD (the functional currency) against the relevant foreign currencies represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis is for a 3% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease in pre-tax profit when New Taiwan dollars strengthen by 3% against USD. For a 3% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Profit or loss	\$ 3,101	(\$ 2,770)

b) Interest rate risk

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

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

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
– Financial assets	\$ 233,927	\$ 1,443
– Financial liabilities	4,198	10,856
Cash flow interest rate risk		
– Financial assets	376,359	510,539
– Financial liabilities	33,064	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increased or decreased 50 basis points and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would decrease by \$1,716 thousand and \$2,553 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and beneficiary certification for fund. The management of the Company manages risks by holding investment portfolios with different risk levels. The equity price risk of the Company is mainly from the equity instruments issued in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices increase/ decrease 5%, the profit before income tax for the year 2025 and 2024 would have increased/ decrease by \$81,904 thousand and \$70,198 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the year 2025 and 2024 would have increased/ decrease by \$27,656 thousand and \$20,325 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

(2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, is arising from:

- a) The carrying amount of the respective recognized financial assets as stated in the independent balance sheets.
- b) The amount of contingent liabilities due to the financial guarantees provided by the Company.

Since the counterparty of circulating capital and derivative financial instruments is the bank with a high credit rating given by the international credit rating agency, the credit risk is limited.

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas, thus, no other concentration of credit risk was observed.

(3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. The Company had available unutilized short-term bank loan facilities set out in (b) below.

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

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

December 31, 2025

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 94,309	\$ 131,507	\$ 6,241	\$ -
Lease liabilities	562	1,125	2,205	329
Variable interest rate instrument	21,526	11,538	-	-
	<u>\$ 116,397</u>	<u>\$ 144,170</u>	<u>\$ 8,446</u>	<u>\$ 329</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 3,892</u>	<u>\$ 329</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 96,973	\$ 161,736	\$ 6,554	\$ -
Lease liabilities	562	1,125	5,062	4,221
Financial guarantee liabilities	-	-	147,533	-
	<u>\$ 97,535</u>	<u>\$ 162,861</u>	<u>\$ 159,149</u>	<u>\$ 4,221</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	<u>\$ 6,749</u>	<u>\$ 4,221</u>	<u>\$ -</u>

The amount of floating interest rate instruments for the aforementioned non-derivative financial assets and liabilities would change amidst the difference between the floating interest rate and the interest rate estimated as of the balance sheet date.

b) Financing facilities

	December 31, 2025	December 31, 2024
Unsecured bank facilities:		
— Amount used	\$ 49,279	\$ 34,412
— Amount unused	<u>1,090,741</u>	<u>1,239,326</u>
	<u>\$ 1,140,020</u>	<u>\$ 1,273,738</u>

25. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and related parties were disclosed below.

a. Related Party Categories / Names

Related Party	Relationship with the Company
Shanghai United Can Co., Ltd.	Subsidiary
Jinan United Can Co., Ltd.	Subsidiary

(Continued)

Related Party	Relationship with the Company
Huatong United (Nantong) Plastic Industry Co., Ltd.	Subsidiary
GCM PACKAGING (VIETNAM) CO., LTD.	Subsidiary
China Can Printing and Metal MFG. Co., Ltd.	Related party in substance
HuaDong United Can Co., Ltd.	Related party in substance (Concluded)

b. Operating Revenue

Item	Related Party	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Sales of goods	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	\$ <u>326</u>	\$ <u>15,978</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	\$ <u>185,054</u>	\$ <u>181,600</u>

The price of sales to related parties approximated those for third parties. Collection terms are 60 to 150 days for third parties, T/T 60 days for GCM PACKAGING (VIETNAM) CO., LTD. and 90 days for China Can Printing and Metal MFG. Co., Ltd.

c. Trading transactions

Item	Related Party	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Purchase of goods	Subsidiaries		
	Jinan United Can Co., Ltd.	\$ 16,167	\$ 11,377
	Huatong United (Nantong) Plastic Industry Co., Ltd.	<u>1,368</u>	<u>2,927</u>
		\$ <u>17,535</u>	\$ <u>14,304</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	\$ 829	\$ 1,844
	HuaDong United Can Co., Ltd.	<u>20,162</u>	<u>-</u>
		\$ <u>20,991</u>	\$ <u>1,844</u>

The price of purchase to related parties approximated those for third parties.

d. Receivables from related parties

Item	Related Party	December 31, 2025	December 31, 2024
Accounts receivable	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	\$ <u>7</u>	\$ <u>2,424</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	\$ <u>28,802</u>	\$ <u>30,751</u>

The outstanding account receivables from related parties are unsecured. The Company didn't recognize bad debt expenses for the account receivables from related parties in 2025 and 2024.

e. Payables from related parties

Item	Related Party	December 31, 2025	December 31, 2024
Accounts payable	Subsidiaries		
	Jinan United Can Co., Ltd.	\$ -	\$ 2,866
	Huatong United (Nantong) Plastic Industry Co., Ltd.	-	461
	GCM PACKAGING (VIETNAM) CO., LTD.	431	899
		<u>\$ 431</u>	<u>\$ 4,226</u>
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 189</u>	<u>\$ 708</u>

The payment term of purchase to related parties approximated those for third parties.

The outstanding payables to related parties are unsecured.

f. Purchase on property, plant and equipment

Related Party	Acquisition Cost	
	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Subsidiaries		
Shanghai United Can Co., Ltd.	<u>\$ -</u>	<u>\$ 130</u>
Related party in substance		
HuaDong United Can Co., Ltd.	<u>\$ -</u>	<u>\$ 970</u>

g. Lease agreement

Item	Related Party	December 31, 2025	December 31, 2024
Lease Liability	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	<u>\$ 2,848</u>	<u>\$ 8,497</u>
		For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
<u>Interest expense</u>			
Related party in substance			
China Can Printing and Metal MFG. Co., Ltd.		<u>\$ 65</u>	<u>\$ 127</u>

The Company leased an office building in Taishan District, New Taipei City, from China Can Printing and Metal MFG. Co., Ltd. with an area of approximately 1,735.545 square meters. The lease term will end on June 30, 2026. The monthly rent will be \$476 thousand, and the rent will be prepaid for 3 months at the beginning of every quarter. The rent in the lease contract was negotiated with the reference on market price, and pay according to the agreed method in the lease contract.

i. Endorsements/guarantees provided

Related Party	December 31, 2025	December 31, 2024
Subsidiaries	\$ -	\$ 147,533
	USD -	USD 4,500

Refer to Table1 for information of endorsements/guarantees provided.

j. Other transactions with related parties

Related Party	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024	Nature
Subsidiaries			
GCM PACKAGING (VIETNAM) CO., LTD.	\$ 8,966	\$ 12,702	Processing expense
Related parties in substance			
China Can Printing and Metal MFG. Co., Ltd.	\$ 22	\$ -	Processing expense

k. Compensation of key management personnel

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Short-term employee benefits	\$ 28,587	\$ 30,978
Post-employment benefits	626	608
	\$ 29,213	\$ 31,586

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

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2025	December 31, 2024
Assets pledged (Financial assets at amortized cost)	\$ 58,234	\$ 79,895

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2025 and 2024 were as follows:

a. Significant commitment

- (1) Unused letters of credit for purchases of raw materials and machinery and equipment amounted as follow:

	December 31, 2025	December 31, 2024
USD	\$ 362	\$ 193
NTD	-	23,087

- (2) Commitments with equipment suppliers are as follow:

	December 31, 2025	December 31, 2024
Unpaid amount — USD	\$ -	\$ 337
— NTD	1,477	2,670

b. Significant contingent liabilities: None.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying value
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 7,871	31.43 (USD : NTD)	\$ 247,374
<u>Non - monetary items</u>			
USD	31	31.43 (USD : NTD)	980
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	4,582	31.43 (USD : NTD)	144,013

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying value
<u>Assets in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 553	32.785(USD:NTD)	\$ 18,122
<u>Non - monetary items</u>			
USD	34	32.785(USD:NTD)	1,104
<u>Liabilities in foreign currencies</u>			
<u>Monetary items</u>			
USD	3,369	32.785(USD:NTD)	110,469

The following information was aggregated by the functional currencies of the Company entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31, 2025			For the Year Ended December 31, 2024		
Functional currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD	
NTD	1 (NTD : NTD)	\$ <u>22,330</u>	1 (NTD : NTD)	(\$ <u>1,402</u>)	

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- (1) Financing provided to others. (None)
- (2) Endorsements/guarantees provided. (Table 1)
- (3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities). (Table 2)
- (4) Total purchases from or sales to related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (Table 3)
- (5) Receivables from related parties amounting to at least NT \$100 million or 20% of the paid-in capital. (None)

b. Information on investees. (Table 4)

c. Information on investments in mainland China

- (1) Information on any investee companies in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
- (2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

**GREAT CHINA METAL IND. CO., LTD.
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025**

Table 1

(In Thousands of New Taiwan Dollars and Foreign Currency)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note4)	Note
		Name	Relationship (Note 2)											
0	Great China Metal Ind. Co., Ltd.	Shanghai United Can Co., Ltd.	b	\$ 4,082,062	\$ 149,423 (USD 4,500)	\$ - (USD -)	\$ - (CNY -)	\$ -	-	\$ 8,164,124	Y	N	Y	—

Note 1: The parent company and its subsidiaries are coded as follows:

- The parent company is coded “0”.
- The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- Business relationship.
- A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.
- Among the companies where the Company holds voting shares more than 90% either directly or indirectly.
- A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- Those companies that are endorsed and guaranteed by all capital shareholders pursuant to their shareholding ratio under a joint investment relationship.
- The inter-industry companies that are engaged in the joint guarantee of the performance guarantee of the pre-construction house sales contract in accordance with the Consumer Protection Act.

Note 3: (1) The endorsement/guarantee limit for each entity is $8,164,124 \text{ (Net value)} \times 50\% = 4,082,062$.

(2) The endorsement/guarantee limit for the total endorsement/guarantee limit is $8,164,124 \text{ (Net value)} \times 100\% = 8,164,124$.

Note 4: Those belong to an exchange-listed and/or over-the-counter listed parent company that endorses its subsidiary company and those where a subsidiary company renders guarantee toward its exchange-listed and/or over-the-counter listed parent company. In case of endorsement/guarantee toward Mainland China area, please fill in Y otherwise please fill in N.

GREAT CHINA METAL IND. CO., LTD.
MARKETABLE SECURITIES HELD
As of DECEMBER 31, 2025

Table 2

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Great China Metal Ind. Co., Ltd.	Ordinary shares							
	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	47	\$ 11,871	-	\$ 11,871	
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through other comprehensive income – current	288	446,206	-	446,206	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	516	39,101	-	39,101	
	Mega Financial Holding Company Limited	None	Financial assets at fair value through other comprehensive income – current	1,398	55,927	-	55,927	
	Fund							
	Fubon No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	1,500	17,175	-	17,175	
	Cathay No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	600	8,640	-	8,640	
	Fubon No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	2,000	21,000	-	21,000	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	370	4,880	-	4,880	
	Fubon Chi-Hsiang Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,198	53,025	-	53,025	
	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	26,727	472,060	-	472,060	
	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,608	42,027	-	42,027	
	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss - current	29,508	463,528	-	463,528	
	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	22,620	325,038	-	325,038	
	Shin Kong Chi-Shin Money-Market Fund	None	Financial assets at fair value through profit or loss - current	3,682	60,258	-	60,258	
	Franklin Templeton Sinoam Money Market Fund	None	Financial assets at fair value through profit or loss - current	15,477	169,460	-	169,460	

GREAT CHINA METAL IND. CO., LTD.
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025

Table 3

(In Thousands of New Taiwan Dollars)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Great China Metal Ind. Co., Ltd.	China Can Printing and Metal MFG. Co., Ltd.	Related parties in substance	Sale	\$ 185,054	8%	90days	No significant difference	No significant difference	\$ 28,802	8%	

**GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Table 4

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Great China Metal Ind. Co., Ltd.	HAI HWA INVESTMENT CO., LTD.	Bermuda	Makes investments	\$ 1,047,893	\$ 1,047,893	-	100%	\$ 4,033,378	\$ 48,080	\$ 48,080	Subsidiary
Great China Metal Ind. Co., Ltd.	GCM HOLDING CO., LTD.	Samoa	Makes investments	229,247	229,247	-	100%	463,301	13,673	13,673	Subsidiary
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Vietnam	Aluminum pop can lid	229,245	229,245	-	100%	163,928	12,050	N/A	Sub-subsubsidiary

Note: Information on investees in mainland China, refer to Table 5.

**GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025**

Table 5

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Shanghai United Can Co., Ltd.	Manufacture and sale 2-piece aluminum can and easy open end	Registered and contributed capital USD 49.2 million (Including capital increasing by earnings USD 27.05 million and capital increasing by cash from HAI HWA INVESTMENT CO., LTD. USD 2.15 million).	(2)	\$ 522,642	\$ -	\$ -	\$ 522,642	(\$ 27,416)	100%	(\$ 27,416) (2) B	\$ 1,506,449	\$ -
Huatong United (Nantong) Plastic Industry Co., Ltd.	Manufacture and sale LLDPE film	Registered and contributed capital USD 9.45 million (Including capital increasing by earnings USD 2.45 million).	(2)	187,479	-	-	187,479	3,902	100%	3,902 (2) B	699,507	228,472
Chongqing United Can Co., Ltd.	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 107,568 thousand.	(3)A.	-	-	-	-	21,120	100%	21,120 (2) B	829,439	-
Jinan United Can Co., Ltd.	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 157,052 thousand.	(3)B.	317,000	-	-	317,000	69,593	100%	69,593 (2) B	1,028,411	-
Sunshui Changlee United Container Co Ltd.	Manufacture and sale LLDPE film	Registered and contributed capital USD 6 million.	(3)C.	-	-	-	-	(9,506)	30%	(2,852) (2) B	113,116	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 1,027,121	USD 74,190 thousand	\$ 5,056,837 (Note 3)

Note 1: The investment methods are as follow:

- (1) Direct investment in mainland China through the parent company.
- (2) Invest in Mainland China through a third-region company (HAI HWA INVESTMENT CO., LTD.).
- (3) Other :
 - A. Invested by Shanghai United Can Co., Ltd. and HAI HWA INVESTMENT CO., LTD.
 - B. Invested by HAI HWA INVESTMENT CO., LTD., Shanghai United Can Co., Ltd. and Huatong United (Nantong) Plastic Industry Co., Ltd.
 - C. Invested by Huatong United (Nantong) Plastic Industry Co., Ltd.

Note 2: Investment Gain (Loss)

- (1) If it is under preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition bases of investment gains or losses are as follow:
 - A. Financial statements were audited and certificated by International accounting firm which has a cooperative relationship with accounting firm in Taiwan.
 - B. Financial statements were audited and certificated by certified public accountant engaged by parent company in Taiwan.
 - C. Others.

Note 3: Consolidate net value of equity×60%=8,428,061×60%=5,056,837.

GREAT CHINA METAL IND. CO., LTD.
THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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Statement of cash and cash equivalents	1
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GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025

Statement 1

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and petty cash		<u>\$ 198</u>
Bank deposits		
Demand deposits		10,393
Foreign currency deposits	Including USD61 thousands (USD1=NTD31.43)	1,932
Checking deposits		<u>21,746</u>
		<u>34,071</u>
Cash equivalent		
Certificate deposit		25,027
Foreign currency fixed deposits	Including USD4,000 thousands (USD1=NTD31.43)	125,720
Foreign currency bonds	Including USD1,397 thousands (USD1=NTD31.43)	<u>43,908</u>
		<u>194,655</u>
		<u><u>\$ 228,924</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2025

Statement 2

(In Thousands of New Taiwan Dollars)

Item	Number of Shares (In Thousands)	Initial Cost	Fair Value	
			In Dollars / Per Share	Total Amount
Fund				
Fubon No.1 Real Estate Investment Trust	1,500	\$ 15,000	11.45	\$ 17,175
Cathay No.1 Real Estate Investment Trust	600	6,000	14.40	8,640
Fubon No.2 Real Estate Investment Trust	2,000	20,080	10.50	21,000
Cathay No.2 Real Estate Investment Trust	370	3,700	13.19	4,880
CTBC Hwa-win Money Market Fund	3,608	42,015	11.65	42,027
Fubon Money Market Fund	29,508	463,454	15.71	463,528
Fubon Chi-Hsiang Money Market Fund	3,198	53,000	16.58	53,025
UPAMC James Bond Money Market Fund	26,727	471,989	17.66	472,060
Taishin 1699 Money Market Fund	22,620	324,995	14.37	325,038
Shin Kong Chi-Shin Money-Market Fund	3,682	60,240	16.37	60,258
Franklin Templeton Sinoam Money Market Fund	15,477	169,238	10.95	169,460
Shanghai Growth Fund	99	10,941	9.90	980
		<u>\$1,640,652</u>		<u>\$1,638,071</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – CURRENT
DECEMBER 31, 2025

Statement 3

(In Thousands of New Taiwan Dollars)

Item	Number of Shares (In Thousands)	Carrying Amount	Initial Cost	Fair Value	
				In Dollars / Per Share	Total Amount
Ordinary shares					
Taiwan Semiconductor Manufacturing Company Limited	288	10	\$ 18,713	1,550.00	\$ 446,206
ASE Technology Holding Co., Ltd.	47	10	1,748	250.50	11,871
Sino Tactful Co., Ltd.	-	10	2	22.70	3
Xac Automation Corp.	-	10	16	27.30	10
Cathay Financial Holding Co., Ltd.	516	10	25,400	75.80	39,101
Mega Financial Holding Company Limited	1,398	10	21,280	40.00	55,927
			<u>\$ 67,159</u>		<u>\$ 553,118</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF NOTES RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2025

Statement 4

(In Thousands of New Taiwan Dollars)

Client Name	Amount
GUANG HWA INDUSTRY CO., LTD.	\$ 7,746
MING SHIN CAN WORK FACTORY CO., LTD.	6,500
LONG WELL CANNING CO., LTD.	3,390
TONG YENG INDUSTRIAL CO., LTD.	2,621
COSMOS-SHOWA PRODUCTS CO., LTD.	2,514
KUANG TA HSIANG FOODSTUFFS CO., LTD.	1,689
Others (Individual client does not exceed 5% of the account balance)	<u>846</u>
	<u><u>\$ 25,306</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2025

Statement 5

(In Thousands of New Taiwan Dollars)

Client Name	Amount
TAIWAN TOBACCO & LIQUOR CORPORATION	\$ 59,941
HEINEKEN Taiwan Co., Ltd.	56,995
SWIRE COCA-COLA BEVERAGES LTD., TAIWAN BRANCH (B.V.I.)	46,590
VITALON FOODS CO., LTD.	35,941
CHING CHUEN CHYUAN FOOD COMPANY LIMITED	26,037
Others (Individual client does not exceed 5% of the account balance)	<u>78,154</u>
	303,658
Less: Allowance for doubtful accounts	<u>-</u>
	<u><u>\$ 303,658</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2025

Statement 6

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Finished goods	\$ 272,025	\$ 363,819
Work-in-progress	74,509	110,780
Raw materials	334,834	362,172
Leftover bits and pieces	125,677	158,134
Materials for subcontractor	26,624	26,984
Others	<u>29</u>	<u>29</u>
	<u>\$ 833,698</u>	<u>\$ 1,021,918</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement 7

(In Thousands of New Taiwan Dollars)

Investees	Balance, January 1, 2025		Additions (Decrease) in Investment		Gain (Loss) on Investment	Balance, December 31, 2025			Market Value or Net Assets Value	Collateral or Pledge
	Share (In Thousands)	Amount	Share (In Thousands)	Amount		Share (In Thousands)	Ownership Interest (%)	Amount		
HAI HWA INVESTMENT CO., LTD.	-	\$4,199,462	-	(\$ 214,164)	\$ 48,080	-	-	\$4,033,378	\$4,033,378	None
GCM HOLDING CO., LTD. (Note)	-	<u>460,807</u>	-	(<u>11,179</u>)	<u>13,673</u>	-	-	<u>463,301</u>	<u>463,301</u>	None
		<u>\$4,660,269</u>		(<u>\$ 225,343</u>)	<u>\$ 61,753</u>			<u>\$4,496,679</u>	<u>\$4,496,679</u>	

Note: The increased amount includes realized gain on transactions with subsidiaries \$493 thousand.

The decreased amount includes cumulative translation differences (\$13,631) thousand and repatriation of earnings from subsidiaries (\$212,205) thousand.

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2025

Statement 8

(In Thousands of New Taiwan Dollars)

	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Total</u>
<u>Cost</u>			
January 1, 2025	\$ 44,012	\$ 1,927	\$ 45,939
Additions	-	-	-
Disposals	-	-	-
December 31, 2025	<u>\$ 44,012</u>	<u>\$ 1,927</u>	<u>\$ 45,939</u>
<u>Accumulated depreciation</u>			
January 1, 2025	\$ 35,065	\$ 321	\$ 35,386
Additions	5,844	643	6,487
Disposals	-	-	-
December 31, 2025	<u>\$ 40,909</u>	<u>\$ 964</u>	<u>\$ 41,873</u>
December 31, 2025, net	<u>\$ 3,103</u>	<u>\$ 963</u>	<u>\$ 4,066</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE TO THIRD PARTIES
DECEMBER 31, 2025

Statement 9

(In Thousands of New Taiwan Dollars)

Client Name	Amount
UACJ CORPORATION	\$ 108,736
C.S. ALUMINIUM CORPORATION	7,107
Others (Individual supplier does not exceed 5% of the account balance)	<u>20,588</u>
	<u><u>\$ 136,431</u></u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2025

Statement 10

(In Thousands of New Taiwan Dollars)

	Lease period (Month)	Discount Rate	Ending Balance
Buildings	90~96	1.1%	\$ 3,224
Transportation equipment	36	1.49%	<u>974</u>
			<u>\$ 4,198</u>

**GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Statement 11

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Aluminum Cans	503,528	\$ 1,418,600
Aluminum/Steel lid and bottom	571,894	604,491
Tin Cans	22,099	65,197
Others	-	<u>242,851</u>
		<u>\$ 2,331,139</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement 12

(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	\$ 364,734
Additions: Raw material purchased	1,250,440
Others	2,767
Deductions: Others	(8,755)
Raw materials, end of year	(<u>334,834</u>)
Raw materials used (1)	1,274,352
Direct labor (2)	57,959
Manufacturing expense (3)	<u>421,915</u>
Manufacturing cost (1)+(2)+(3)	1,754,226
Additions: Work in progress, beginning of year	65,597
Others	35,294
Deductions: Others	(188,849)
Work in progress, end of year	(<u>74,509</u>)
Cost of finished goods	1,591,759
Additions: Finished goods, beginning of year	315,989
Others	40,406
Deductions: Others	(9,879)
Finished goods, end of year	(<u>272,025</u>)
Cost of goods sold	1,666,250
Additions: Raw materials sold and cost of work in progress	87,020
Cost of leftover bits sold	113,685
Others	<u>1,480</u>
Operating cost	<u><u>\$ 1,868,435</u></u>

**GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Statement 13

(In Thousands of New Taiwan Dollars)

	Selling And Marketing Expenses	General And Administrative Expenses	Total
Freight	\$ 31,022	\$ 2	\$ 31,024
Payroll and related expense	8,785	47,164	55,949
Depreciation expense	-	6,956	6,956
Professional service fees	-	4,032	4,032
Others (Individual expense does not exceed 5% of the account balance)	<u>6,351</u>	<u>16,777</u>	<u>23,128</u>
	<u>\$ 46,158</u>	<u>\$ 74,931</u>	<u>\$ 121,089</u>

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Statement 14

(In Thousands of New Taiwan Dollars)

Nature	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Salary and bonus	\$ 130,125	\$ 46,022	\$ 176,147	\$ 129,700	\$ 48,409	\$ 178,109
Labor and health insurance	15,581	4,591	20,172	14,614	4,621	19,235
Pension	6,260	2,417	8,677	5,875	2,368	8,243
Director's remuneration	25	9,926	9,951	20	13,155	13,175
Other employee benefits	<u>16,740</u>	<u>3,754</u>	<u>20,494</u>	<u>15,211</u>	<u>3,958</u>	<u>19,169</u>
Total employee benefit	<u>\$ 168,731</u>	<u>\$ 66,710</u>	<u>\$ 235,441</u>	<u>\$ 165,420</u>	<u>\$ 72,511</u>	<u>\$ 237,931</u>

Note 1: The average numbers of employees of the Company were 290 and 292, respectively, which include 6 and 5 board of directors, respectively, not serving concurrently as employees for the years ended 2025 and 2024. There is no difference on the basis of calculation.

Note 2: a. The average employee benefit expenses were \$794 thousand for the years ended December 31, 2025 ("Current year employee benefit expenses - remuneration of directors"/ "Current year average number of employees - board of directors without holding employment positions").
The average employee benefit expenses were \$783 thousand for the years ended December 31, 2024 ("Prior year employee benefit expenses - remuneration of directors"/ "Prior year average number of employees - board of directors without holding employment positions").
b. The average salaries and bonuses were \$620 thousand for the years ended December 31, 2025 (Current year salary and bonus/ "Current year average number of employees - board of directors without holding employment positions").
The average salaries and bonuses were \$621 thousand for the years ended December 31, 2024 (Prior year salary and bonus/ "Prior year average number of employees - board of directors without holding employment positions").
c. The average change in salaries and bonuses was (0.2%) ("Average salary and bonus for the year ended 2025 - average salary and bonus for the year ended 2024"/average salary and bonus for the year ended 2024).

Note 3: The Company adopts the audit committee to replace the supervisor system.

Note 4: Compensation of managers and employees, and remuneration of directors are as follow:

- a. Directors: The Company use "Directors' Remuneration Payment Method" and "Directors' Remuneration Distribution Method" as the basis to formulate the remuneration procedures for director. The Company provides reasonable remuneration to directors by considering the company's overall operating performance, future operating risks and the contribution to the company's operations.
- b. Managers: The Company gives managers a reasonable compensation, which is reviewed by the compensation committee and approved by the board of directors, according to salary survey results of the metal industry, salary level of the peers, measures of the Company's business strategy and profitability, managers' performance and contribution, and other factors.
- c. Employees: The Company sets the salary payment standard, which refers to the salary market, the company's operating conditions and the organizational structure. The salary will also be adjusted with reference to individual performance, market salary dynamics, overall economic and industrial changes.

The Company regularly evaluates the performance of directors and managers, and sets the content and amount of their individual remuneration and compensation; conducts employee performance appraisals every year for their promotion, transfer, salary adjustment and bonus payment. The Company has set up a compensation committee on December 27, 2011 to review policies, systems, standards and structure of the Company's compensation.