Stock Code:1532

CHINA METAL PRODUCTS CO., LTD.

FINANCIAL STATEMENTS

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

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

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Independent Auditors' Report

To the Board of Directors of China Metal Products Co., Ltd.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of financial statements for the year ended December 31, 2025 of the Company. Those matters have been addressed in our audit opinion on the said financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition of the metal manufacturing segment

   For the segment revenue recognition account policy, please refer to Note 4(q); for the details of the revenue recognition during the years, please refer to Note 6(v).

   Description of key audit matter:

   China Metal Products Co., Ltd.'s revenue from the sale of the steel products is recognized when the control of the goods has been transferred to the customer and there is no continuing management involvement and effective control with the goods. The revenue is recognized when the control of the goods has been transferred which is deemed by transaction terms in each sales contract stipulated by the customer and China Metal Products Co., Ltd.. The operating revenue from the sale of the steel products is easily affected by the law of supply and demand principle and other factors in the market. Therefore, the revenue recognition is considered as one of the key audit matters.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Corresponding audit procedure:

Our main audit procedures for the above key audit matters include: understanding and evaluating the design, operation and implementation of the effectiveness of internal control on revenue recognition of China Metal Products Co., Ltd.; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition, also sampling the major customers and reviewing the contracts and sales orders to evaluate the revenue recognition; sampling the transaction records of sales around the balance sheet date and obtaining the transaction documents to evaluate the appropriateness timing of revenue recognition; understanding if there is significant allowance for sales return and discount for the days before and after the reporting date.

2. Impairment assessment of investments accounted for using equity method

For the accounting policy of investments accounted for using equity method's impairment assessment please refer to the Note 4(h) Investment in associates and Note 4(i) subsidiaries ; for the details of investments accounted for using equity method's impairment assessment, please refer to Note 6(e) Investments accounted for using equity method.

Description of key audit matter:

Sunflower Investment Co., Ltd., the subsidiary of the Company, had sought administrative remedies for the administrative penalties arose from enterprise income tax, value-added tax, and undistributed earning tax of the Daguangsan non-performing receivable case, which the total amount of tax and penalties amounted to $564,452 thousand. As of the reporting date, the Company has paid $46,174 thousand and estimated the regarding litigation provision at $236,052 thousand.

The estimation of litigation contingent liabilities is based on the management's assessment of the result of litigation which is likely to be unfavorable to the Company. However, there are significant uncertainties in the litigation. Therefore, the litigation provision estimation is considered as one of the key audit matters.

Corresponding audit procedure:

Our main audit procedures for the above key audit matters include: interviewing the Company's management to understand the method of assessment; obtaining management's major litigation memorandum and its provision assessment documents, and reviewing the latest court verdict documents of the major litigation to assess the reasonableness of their estimates; obtaining auditors' legal confirmation letters from external lawyers to verify the progress of pending litigation; assessing whether the Company's pending litigation cases and contingent liabilities have been properly disclosed.

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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing China Metal Products Co., Ltd.'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 China Metal Products Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing China Metal Products Co., Ltd.'s financial reporting process.

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

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

1. Identify and assess the risks of material misstatement of the 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 China Metal Products Co., Ltd.'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 China Metal Products Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause China Metal Products Co., Ltd. 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tsou, Yi-Yun and Han, Yi-Lien.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2026

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Notes 6(a) and (y))	$ 907,683	3	363,128	1
1170	Notes and accounts receivable, net (Notes 6(c), (v) and (y))	122,593	1	150,939	1
1180	Accounts receivable due from related parties, net (Notes 6(y) and 7)	14,700	-	13,102	-
1200	Other receivables (Note 6(y))	29,622	-	30,277	-
1210	Other receivables due from related parties (Notes 6(y) and 7)	17,709	-	33,628	-
130X	Inventories (Note 6(d))	68,852	-	74,237	-
1410	Prepayments	24,237	-	21,392	-
1470	Other current assets	75,162	-	81,720	-
1476	Other current financial assets (Note 8)	537	-	482	-
	Total current assets	1,261,095	4	768,905	2
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b) and (y))	118,522	-	135,210	-
1550	Investments accounted for using equity method (Notes 6(e), (f) and 8)	17,838,692	64	17,850,186	65
1600	Property, plant and equipment (Notes 6(g), 8 and 9)	667,168	3	731,732	3
1755	Right-of-use assets (Notes 6(h) and 9)	537,090	2	700,678	3
1760	Investment property, net (Notes 6(i) and 8)	6,334,170	23	6,618,522	24
1780	Intangible assets	16,411	-	23,474	-
1840	Deferred tax assets (Note 6(s))	53,462	-	64,154	-
1900	Other non-current assets (Notes 6(e), (k), 7 and 9)	188,103	1	57,957	-
1980	Other non-current financial assets (Notes 6(j), 7, 8 and 9)	821,794	3	684,653	3
	Total non-current assets	26,575,412	96	26,866,566	98
	Total assets	**$ 27,836,507**	**100**	**27,635,471**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes 6(l), (y) and 8)	$ 3,709,769	13	3,268,661	12
2130	Current contract liabilities (Note 6(v))	4,238	-	2,580	-
2170	Notes and accounts payable (Notes 6(y) and 7)	348,638	1	348,861	1
2200	Other payables (Note 6(y))	225,248	1	457,014	2
2220	Other payables due to related parties (Notes 6(y) and 7)	35,200	-	31,768	-
2230	Current income tax liabilities	30,004	-	11,505	-
2280	Current lease liabilities (Notes 6(o) and (y))	185,597	1	189,499	1
2300	Other current liabilities	5,848	-	5,607	-
2310	Advance receipts	901	-	331	-
2321	Bonds payable, current portion (Notes 6(n) and (y))	-	-	259,400	1
2322	Long-term borrowings, current portion (Note 6(m))	-	-	300,000	1
	Total current liabilities	4,545,443	16	4,875,226	18
	Non-current liabilities:				
2527	Non-current contract liabilities (Notes 6(v) and 7)	257,278	1	-	-
2541	Long-term borrowings (Notes 6(m), (y) and 8)	6,780,723	25	5,884,295	21
2580	Non-current lease liabilities (Notes 6(o) and (y))	803,994	3	1,098,177	4
2640	Non-current net defined benefit liabilities (Note 6(r))	5,924	-	5,923	-
2570	Deferred tax liabilities (Note 6(s))	327,340	1	383,179	1
2600	Other non-current liabilities (Note 6(p))	43,173	-	53,036	-
	Total non-current liabilities	8,218,432	30	7,424,610	26
	Total liabilities	12,763,875	46	12,299,836	44
	Equity attributable to owners of parent (Notes 6(f) and (t)):				
3100	Ordinary share	4,226,043	15	4,167,782	15
3200	Capital surplus	2,533,890	9	2,385,924	9
3300	Retained earnings	8,288,561	30	8,630,577	31
3400	Other equity	187,208	1	151,352	1
3500	Treasury stock	(163,070)	(1)	-	-
	Total equity	15,072,632	54	15,335,635	56
	Total liabilities and equity	**$ 27,836,507**	**100**	**27,635,471**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(v) and 7)**	$ 989,401	100	1,054,640	100
5000	**Operating costs (Notes 6(d) and 7)**	(581,320)	(59)	(640,050)	(61)
	Gross profit from operations	408,081	41	414,590	39
	Operating expenses (Notes 6(w) and 7):				
6100	Selling expenses	(25,772)	(2)	(29,254)	(3)
6200	Administrative expenses	(828,939)	(84)	(767,157)	(72)
6300	Research and development expenses	(800)	-	-	-
6450	Expected credit losses (Note 6(c))	(10,005)	(1)	(27)	-
	Total operating expenses	(865,516)	(87)	(796,438)	(75)
	Net operating loss	(457,435)	(46)	(381,848)	(36)
	Non-operating income and expenses:				
7100	Interest income (Notes 6(x) and 7)	16,297	2	17,165	2
7010	Other income (Notes 6(x) and 7)	113,601	12	339,209	32
7020	Other gains and losses (Note 6(x))	102,381	10	(5,820)	(1)
7050	Finance costs (Notes 6(x) and 7)	(238,999)	(24)	(192,788)	(18)
7070	Share of profit of associates and joint ventures accounted for using equity method (Note 6(e))	855,809	86	1,529,555	145
	Total non-operating income and expenses	849,089	86	1,687,321	160
7900	**Profit from continuing operations before tax**	391,654	40	1,305,473	124
7950	Less: Tax income (expenses) (Note 6(s))	19,463	2	(110,282)	(11)
8000	Profit from continuing operations	411,117	42	1,195,191	113
	Net profit	411,117	42	1,195,191	113
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(y))	374	-	(19,315)	(2)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method	2,432	-	3,452	-
	Total items that may not be reclassified subsequently to profit or loss	2,806	-	(15,863)	(2)
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	35,482	3	281,052	27
	Total items that may be reclassified subsequently to profit or loss	35,482	3	281,052	27
8300	**Other comprehensive income (after tax)**	38,288	3	265,189	25
8500	**Comprehensive income**	**$ 449,405**	**45**	**1,460,380**	**138**
	Earnings per share (Note 6(u))				
9750	**Basic earnings per share**	**$ 0.98**		**3.05**	
9850	**Diluted earnings per share**	**$ 0.98**		**2.93**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Share Capital		Retained Earnings				Other Equity				
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Other Equity Interest	Treasury stock	Total Equity
Balance at January 1, 2024	$ 3,787,865	1,600,373	2,046,183	49,081	5,909,382	8,004,646	(160,089)	49,704	(110,385)	-	13,282,499
Profit for the year ended December 31, 2024	-	-	-	-	1,195,191	1,195,191	-	-	-	-	1,195,191
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,452	3,452	281,052	(19,315)	261,737	-	265,189
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,198,643	1,198,643	281,052	(19,315)	261,737	-	1,460,380
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	96,392	-	(96,392)	-	-	-	-	-	-
Special reserve	-	-	-	61,304	(61,304)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(571,968)	(571,968)	-	-	-	-	(571,968)
Conversion of convertible bonds	379,917	785,551	-	-	-	-	-	-	-	-	1,165,468
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(744)	(744)	-	-	-	-	(744)
Balance on December 31, 2024	4,167,782	2,385,924	2,142,575	110,385	6,377,617	8,630,577	120,963	30,389	151,352	-	15,335,635
Profit for the year ended December 31, 2025	-	-	-	-	411,117	411,117	-	-	-	-	411,117
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	2,432	2,432	35,482	374	35,856	-	38,288
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	413,549	413,549	35,482	374	35,856	-	449,405
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	119,790	-	(119,790)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(729,362)	(729,362)	-	-	-	-	(729,362)
Reversal of special reserve	-	-	-	(61,304)	61,304	-	-	-	-	-	-
Conversion of convertible bonds	58,261	115,940	-	-	-	-	-	-	-	-	174,201
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	(163,070)	(163,070)
Changes in equity of associates and joint ventures accounted for using equity method	-	32,026	-	-	(26,203)	(26,203)	-	-	-	-	5,823
Balance on December 31, 2025	**$ 4,226,043**	**2,533,890**	**2,262,365**	**49,081**	**5,977,115**	**8,288,561**	**156,445**	**30,763**	**187,208**	**(163,070)**	**15,072,632**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 391,654	1,305,472
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	421,643	326,576
Amortization expense	9,056	7,300
Net losses on financial assets or liabilities at fair value through profit or loss	-	156
Interest expense	238,999	192,788
Expected credit losses	10,005	27
Interest income	(16,297)	(17,165)
Dividend income	(24,099)	(30,855)
Share of profit of associates and joint ventures accounted for using equity method	(855,809)	(1,529,555)
(Gain) losses on disposal of property, plant and equipment	(67)	1,059
Property, plant and equipment transferred to expenses	1,198	395
Gain on disposal of investment properties	(62,277)	-
Gain on disposal of investments	(34,152)	-
Deferred credits recognized as other income	(15,694)	(254,643)
Total adjustments to reconcile profit	(327,494)	(1,303,917)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable, net	18,341	49,806
Accounts receivable due from related parties, net	(1,598)	1,869
Other receivables (including related parties)	(10,421)	(5,521)
Inventories	5,372	13,134
Prepayments	(5,297)	(7,902)
Other current assets	7,004	(4,857)
Total changes in operating assets	13,401	46,529
Changes in operating liabilities:		
Notes and accounts payable (including related parties), net	(223)	28,711
Other payables	(231,476)	(28,947)
Other payables due to related parties	3,432	17,470
Contract liabilities	1,658	(1,073)
Other current liabilities	241	1,389
Advance receipts	570	10
Total changes in operating liabilities	(225,798)	17,560
Total changes in operating assets and liabilities	(212,397)	64,089
Total adjustments	(539,891)	(1,239,828)
Cash inflow (used in) generated from operations	(148,237)	65,644
Interest received	4,746	6,056
Dividends received	1,018,766	1,273,322
Interest paid	(236,982)	(214,266)
Income taxes paid	(7,185)	(11,710)
Net cash flows generated from operating activities	631,108	1,119,046
Cash flows from investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	14,062	-
Acquisition of investments accounted for using equity method	(42,000)	(297,000)
Proceeds from disposal of investments accounted for using equity method	2,862	-
Acquisition of property, plant and equipment	(62,816)	(126,678)
Proceeds from disposal of property, plant and equipment	557	1,118
Acquisition of intangible assets	(1,734)	(5,747)
Acquisition of investment properties	(38,349)	(3,184)
Proceeds from disposal of investment properties	140,492	-
Decrease (increase) in other receivables due from related parties	26,995	(29,622)
(Increase) decrease in other financial assets	(137,196)	381
Increase in other non-current assets	(120,617)	(214,660)
Increase in non-current contract liabilities	257,278	-
Net cash flows generated from (used in) investing activities	39,534	(675,392)
Cash flows from financing activities:		
Increase in short-term borrowings	2,181,000	3,832,000
Decrease in short-term borrowings	(1,790,000)	(2,524,500)
Increase in short-term notes and bills payable	50,108	349,594
Proceeds from long-term borrowings	2,178,882	6,678,800
Repayments of long-term borrowings	(1,580,000)	(8,089,757)
Increase (decrease) in other non-current liabilities	515	(1,175)
Cash dividends paid	(729,362)	(571,968)
Payment of lease liabilities	(188,960)	(188,030)
Payments of treasury stock	(163,070)	-
Redemption of convertible bonds	(85,200)	-
Net cash flows used in financing activities	(126,087)	(515,036)
Net increase (decrease) in cash and cash equivalents	544,555	(71,382)
Cash and cash equivalents at the beginning of the year	363,128	434,510
Cash and cash equivalents at the end of the year	**$ 907,683**	**363,128**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

CHINA METAL PRODUCTS CO., LTD. (the "Company") was established on September 9, 1972, via Ministry of Economic Affairs' authorization. The registered office is located at 4F, No. 85, Section 4, Ren' ai Road, Da' an District, Taipei. The major business activities of the Company are iron hardware manufacturing and casting, residents and commercial buildings' developing, leasing and selling, acquisition of the financial claims of financial institutions, and department store retailing.

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

The financial statements were authorized for issue by the Board of Directors on March 12, 2026.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 "Lack of Exchangeability"

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

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

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 " Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(Continued)

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

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

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

(Continued)

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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

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

(4) Summary of material accounting policies

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

The material accounting policies presented in the financial statements are summarized as follows. The accounting policies have been applied consistently to all periods presented in these financial statements, unless otherwise specified in Note 3.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

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

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

3) The defined benefit liabilities (assets) are recognized as the present value of the defined obligation less the fair value of the plan assets, which is limited as explained in Note 4(s).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The Company's financial statements are presented in New Taiwan dollar, which is the Company's functional currency. All financial information presented in New Taiwan dollar has been rounded to the nearest thousand.

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(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period (hereinafter referred to as the reporting date) are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the translation.

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

- An investment in equity securities designated as at fair value through other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Taiwan dollar at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the New Taiwan dollar at average rate. Exchange differences are recognized in other comprehensive income and presented in the foreign currency translation differences in equity.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planed nor likely to occur in the foreseeable future, exchange differences arising from such monetary items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

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

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current:

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(Continued)

(iii) It expects to realize the asset within twelve months after the reporting period; or

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

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current:

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

Financial assets which are trade as regular purchases or sales are recognized and derecognized on a trade date basis.

On initial recognition, financial assets are classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The time deposits held by the Company was determined as low credit risk since the trading and performing parties are the financial institutions above the investment grade.

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

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

When the Company enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity instruments

Debt or equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the substance of the contractual agreement.

2) Equity instrument

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued is recognized as the amount of consideration received less the direct cost of issuing.

3) Treasury stocks

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

A financial liability is derecognized when its contractual obligation has been discharged or cancelled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are substantially different, the Company derecognizes the original financial liability and recognized a new financial liability at fair value based on the modified terms.

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

6) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Company has the legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

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7) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of a loss it incurs because a specified debtor fails to pay on due date in accordance with the original or modified terms of a debt instrument.

At initial recognition, a financial guarantee contracts not designated as financial liabilities at fair value through profit or loss by the Company is recognized at fair value, plus, any directly attributable transaction cost. Subsequent to initial recognition, they are measured at the higher of (a) the amount of the loss allowance determined in accordance with IFRS 9; and (b) the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out below.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The weighted-average costing method is adopted for inventory costing and the difference between standard cost and actual cost is allocated proportionately to finished goods and work in progress.

Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(h) Investment in associates

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

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

The financial statements include the Company's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

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

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

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(i) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(j) Joint Arrangements

Joint arrangement is the arrangement of two or multiple parties with joint controls over a delegated entity. Joint arrangement includes joint operation and joint venture, its traits are as follows:

(i) The participants are bound by a contractual arrangement; and

(ii) The contractual arrangement gives two or more of the parties joint control of the arrangement.

IFRS 11"Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities that significantly affect the return of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint venturers) in which the Company has rights to the net assets of the arrangement , rather than rights to its assets and obligations for its liabilities. The Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 " Investments in Associates and Joint Ventures" , unless the Company qualifies for exemption from that Standard. Please refer to Note 4(h) for the application of the equity method.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(k) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

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

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

(Continued)

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Notes to the Financial Statements

(l) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1)	Buildings	2~60 years
2)	Machinery	3~20 years
3)	Transportation equipment	3~5 years
4)	Office and other equipment	2~25 years

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

(iv) Reclassification to investment property

When changing the usage purpose of self-use properties, the self-use properties shall be reclassified to investment properties.

(m) Leases

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

(Continued)

(i) As a leasee

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

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

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

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

1) fixed payments, including in-substance fixed payments;

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

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

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

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

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

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

3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change of its assessment of lease period on whether it will exercise a extension or termination option; or

5) there is any lease modifications

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

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheet.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including partial offices, office facilities, dormitory and company cars. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as rental revenue.

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(n) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

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

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

1) Computer software 2~10 years

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

(o) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and an outflow of economic benefits is possibly required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(q) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Customer loyalty program

The Company operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Company considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Company has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. For those contracts which are over one year, the effects of the transaction prices for the time value of money are not significant after the assessment.

4) Land development and sale of real estate

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

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

(ii) Construction contracts

1) Incremental costs of obtaining a contract

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

2) Costs to fulfil a contract

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

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

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

(r) Government grants and government assistance

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

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(s) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(t) Income taxes

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

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences.

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(u) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

(v) Operating segments

The related information on the operating segments is disclosed in the consolidated financial statements.

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

(a) Judgment regarding acting as a principal or as an agent on commission

In respect of commissions, the Company concludes that the following indicators provide further evidence that it does not control the specified goods before they are transferred to the customer, and therefore it acts as an agent.

– The Company does not obtained the ownership of the goods and not obligated to the sale of the goods.

– The revenue is received by the Company, but the credit risk of the goods is undertaken by the supplier.

– The Company cannot vary the selling prices set by the supplier.

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

(a) The loss allowance of accounts receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The information on impairment loss, please refer to Note 6(c).

(b) Inventory valuation

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(d) for further description of the valuation of inventories.

(c) Impairment of goodwill

The assessment of impairment of goodwill is based on the estimated growth rate, gross profit margin and the income under cash basis, which requires the Company' s management to determine the valuation method, major assumption and to calculate the equity value. In addition, impairment of goodwill depends on the Company to make subjective judgments which involved highly estimation uncertainty. Please refer to the consolidated financial statements year ended December 31, 2025 for the impairment of goodwill.

(d) Recognition and measurement of provisions and contingent liabilities

Provision for unsettled litigation and claims is recognized when it is probable that it will result in an outflow of the Company's resources and the amount can be reasonably estimated. Since the ultimate resolution of litigation and claims cannot be predicted with certainty, the final outcome or the actual cash outflow may be materially different from the estimated liability. Please refer to the consolidated financial statements year ended December 31, 2025 for further description of provisions and contingent liabilities.

The Company' s accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. If there is market observable inputs, it will be considered as fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to notes listed as below for assumptions used in measuring fair value.

(i) Note 6(y), Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 1,380	1,380
Cash in banks	906,303	361,748
Cash and cash equivalents	**$ 907,683**	**363,128**

For the sensitivity analysis of financial assets, please refer to Note 6(y).

(b) Non-current financial assets at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income		
Stocks unlisted on domestic markets—MEITA Industrial Co., Ltd.	$ 78,985	85,730
Stocks unlisted on domestic markets—GUANGYUAN Investment Co., Ltd.	26,698	36,486
Stocks unlisted on domestic markets—DEVELOPMENT Venture Capital Co., Ltd. (Note)	12,839	12,994
Total	**$ 118,522**	**135,210**

Note:DEVELOPMENT Venture Capital Co., Ltd. had completed its liquidation registration procedures on January 24, 2024.

(i) The Company intends to hold the equity investments for long-term strategic purposes, rather than transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) For the years ended December 31, 2025 and 2024, the Company recived dividend income amounting to $24,099 thousand and $30,855 thousand, respectively, from the above investments measured at FVOCI.

(iii) Please refer to Note 6(y) for the information on credit risk (including the impairment of debt instrument investments) and market risk.

(iv) As of December 31, 2025 and 2024, the financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	$ 6,711	11,957
Accounts receivable-measured as amortized cost	125,983	139,078
Subtotal	132,694	151,035
Less: Loss allowance	(10,101)	(96)
Total	**$ 122,593**	**150,939**

The Company applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward-looking information, including the information on macroeconomic and the relative industries information. The loss allowance provision is determined as follows:

	December 31, 2025		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	$ 120,670	0%	-
1 to 30 days past due	1,921	0%	-
31 to 90 days past due	1,865	99.90%	1,863
91 to 120 days past due	-	0%	-
121 days to a year past due	8,238	100%	8,238
	$ 132,694		**10,101**

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	December 31, 2024		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	$ 139,278	0%	-
1 to 30 days past due	1,357	0%	-
31 to 90 days past due	6,422	0.13%	8
91 to 120 days past due	3,681	1.91%	70
121 days to a year past due	297	5.98%	18
	$ 151,035		**96**

The movements in the allowance for notes and accounts receivable is as follows:

	For the Years Ended December 31	
	2025	2024
Balance on January 1	$ 96	69
Impairment losses recognized	10,005	27
Balance on December 31	**$ 10,101**	**96**

The financial assets mentioned above were not pledged as collateral.

(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 4,247	3,673
Materials	6,987	6,602
Work in process	19,263	20,879
Semi-finished goods	14,120	14,834
Finished goods	18,819	21,660
Merchandise	5,416	6,589
	$ 68,852	**74,237**

For the years ended December 31, 2025 and 2024, the cost of goods sold and expenses were amounted to $581,320 thousand and $640,050 thousand, respectively. For the years ended December 31, 2025 and 2024, the reversal gain (loss for inventory obsolescence) from the increase (decrease) in inventories' net realizable value amounted to $548 thousand and $(4,626) thousand, respectively.

The inventories were not pledged as collateral, as of December 31, 2025 and 2024.

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(e) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	$ 17,572,897	17,559,298
Associates	-	(21,760)
Joint ventures	265,795	312,648
	$ 17,838,692	**17,850,186**

(i) Subsidiaries

Please refer to the consolidated financial statement December 31, 2025.

Sunflower Investment Co., Ltd., the subsidiary of the Company, had sought administrative remedies for the administrative penalties arose from enterprise income tax, value-added tax, and undistributed earning tax of the Daguangsan non-performing receivable case, the total amount of tax and penalties amounted to $564,452 thousand. As of the reporting date, the Company has paid $46,174 thousand and estimated the regarding litigation provision at $236,052 thousand. The administrative litigation was filed against Taipei High Administrative Court on December 24, 2013. In accordance with the Article 177 of the Administrative Regulation Section 1 and 2, Taipei High Administrative Court suspended the proceeding of the lawsuit on July 25, 2016. Considering the risk of losing the lawsuit in the future, the Company assessed the aforementioned possible losses based on the conservative principle and estimated the contingent liabilities.

(ii) Associates

The Company's financial information for investments accounted for using the equity method that were individually insignificant is as follows:

	December 31, 2025	December 31, 2024
Carry amount of individually insignificant associates' equity	**$ -**	**(21,760)**

For the year ended December 31, 2024, net loss from continuing operations and other comprehensive income attributed to the Company were amounted to $0 thousand.

Due to the fact that the Company does not have the obligation of assuming the excess losses, it ceased the recognition of the losses from the investment of Amida Trustlink Assets Management Co., Ltd. For the year ended December 31, 2024, the unrealized investment losses were amounted to $128 thousand, respectively; and the accumulated unrealized investment losses amounted to $35,645 thousand, respectively.

(Continued)

Amida Trustlink Assets Management Co., Ltd. completed its dissolution registration on July 4, 2025, and received the remaining assets, including the cash of $2,862 thousand and the land measured at fair value of $9,529 thousand (classified as other non-current assets). The liquidation procedures had not yet been completed, resulting in the Company to recognize a gain on disposal of investments as of the reporting date. The liquidation procedures had not yet been completed, resulting in the Company to recognize a gain on disposal of investments as of the reporting date. Please refer to Note6(x).

(iii) Joint ventures

The Company's financial information for joint ventures accounted for using the equity method that are individually insignificant is as follows:

	December 31, 2025	December 31, 2024
Carry amount of individually insignificant joint ventures' equity	**$ 265,795**	**312,648**

	For the Years Ended December 31	
	2025	2024
Attributable to the Company:		
Net loss from continuing operations	$ (48,026)	(37,878)
Other comprehensive income	-	-
Comprehensive income	**$ (48,026)**	**(37,878)**

(iv) Pledge to secure

For the information on the investments accounted for using equity, as of December 31, 2025 and 2024, please refer to Note 8.

(f) Changes in a parent's ownership interest in a subsidiary

(i) Acquisition of subsidiary

For the year ended December 31, 2025, the Company obtained CMP Intelligence Technology additional equity on $3,000 thousand, increasing the percentage ownership from 70.00% to 100.00%, respectively.

The information on the influence of subsidiaries' equities variation to the Company's equity is as follows:

	CMP Intelligence Technology
Acquisition of non-controlling interests	$ 2,768
Payments to non-controlling interests	(3,000)
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	**$ (232)**

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(g) Property, plant and equipment

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

	Land	Buildings	Machinery	Office Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
Cost:								
Balance on January 1, 2025	$ 113,667	313,689	925,104	21,215	7,041	271,428	19,943	1,672,087
Additions	-	7,031	21,557	384	-	16,442	17,402	62,816
Disposals	-	-	(999)	-	-	(260)	(476)	(1,735)
Reclassification	-	-	9,544	-	-	(2,445)	(8,958)	(1,859)
Balance on December 31, 2025	**$ 113,667**	**320,720**	**955,206**	**21,599**	**7,041**	**285,165**	**27,911**	**1,731,309**
Balance on January 1, 2024	$ 113,667	291,065	864,216	20,659	8,082	263,750	29,566	1,591,005
Additions	-	22,782	20,262	646	471	4,153	78,364	126,678
Disposals	-	(1,456)	(34,453)	(90)	(1,512)	(2,990)	-	(40,501)
Reclassification	-	1,298	75,079	-	-	6,515	(87,987)	(5,095)
Balance on December 31, 2024	**$ 113,667**	**313,689**	**925,104**	**21,215**	**7,041**	**271,428**	**19,943**	**1,672,087**
Accumulated depreciation:								
Balance on January 1, 2025	$ -	156,576	589,438	20,054	6,294	167,993	-	940,355
Depreciation	-	12,970	77,733	558	625	33,114	-	125,000
Disposals	-	-	(999)	-	-	(246)	-	(1,245)
Reclassification	-	-	1,804	-	-	(1,773)	-	31
Balance on December 31, 2025	**$ -**	**169,546**	**667,976**	**20,612**	**6,919**	**199,088**	**-**	**1,064,141**
Balance on January 1, 2024	$ -	146,967	554,401	19,562	7,204	137,143	-	865,277
Depreciation	-	10,767	67,611	582	602	33,840	-	113,402
Disposals	-	(1,158)	(32,574)	(90)	(1,512)	(2,990)	-	(38,324)
Balance on December 31, 2024	**$ -**	**156,576**	**589,438**	**20,054**	**6,294**	**167,993**	**-**	**940,355**
Carrying value:								
Balance on December 31, 2025	**$ 113,667**	**151,174**	**287,230**	**987**	**122**	**86,077**	**27,911**	**667,168**
Balance on January 1, 2024	**$ 113,667**	**144,098**	**309,815**	**1,097**	**878**	**126,607**	**29,566**	**725,728**
Balance on December 31, 2024	**$ 113,667**	**157,113**	**335,666**	**1,161**	**747**	**103,435**	**19,943**	**731,732**

As of December 31, 2025 and 2024, please refer to Note 8 for the details of property, plant and equipment pledged as collateral for the Company's long-term borrowings and financing guarantee.

(h) Right-of-use assets

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

	Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost:							
Balance on January 1, 2025	$ -	2,390,941	1,804	16,744	1,263	120,843	2,531,595
Additions	-	2,023	-	2,094	413	-	4,530
Reclassification	-	-	(1,804)	-	-	-	(1,804)
Reduction for expiration	-	(1,875)	-	(2,971)	(430)	-	(5,276)
Balance on December 31, 2025	**$ -**	**2,391,089**	**-**	**15,867**	**1,246**	**120,843**	**2,529,045**

(Continued)

	Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Total
Balance on January 1, 2024	$ 666,672	2,391,243	1,804	16,298	1,153	120,726	3,197,896
Additions	-	629	-	2,204	110	117	3,060
Reclassification	(666,672)	-	-	-	-	-	(666,672)
Reduction for expiration	-	(931)	-	(1,758)	-	-	(2,689)
Balance on December 31, 2024	**$ -**	**2,390,941**	**1,804**	**16,744**	**1,263**	**120,843**	**2,531,595**
Accumulated depreciation:							
Balance on January 1, 2025	$ -	1,792,961	1,534	10,244	968	25,210	1,830,917
Depreciation	-	160,178	270	4,249	252	3,169	168,118
Reclassification	-	-	(1,804)	-	-	-	(1,804)
Reduction for expiration	-	(1,875)	-	(2,971)	(430)	-	(5,276)
Balance on December 31, 2025	**$ -**	**1,951,264**	**-**	**11,522**	**790**	**28,379**	**1,991,955**
Balance on January 1, 2024	$ 120,834	1,633,612	1,173	7,558	730	22,053	1,785,960
Depreciation	-	160,280	361	4,444	238	3,157	168,480
Reclassification	(120,834)	-	-	-	-	-	(120,834)
Reduction for expiration	-	(931)	-	(1,758)	-	-	(2,689)
Balance on December 31, 2024	**$ -**	**1,792,961**	**1,534**	**10,244**	**968**	**25,210**	**1,830,917**
Carrying value:							
Balance on December 31, 2025	**$ -**	**439,825**	**-**	**4,345**	**456**	**92,464**	**537,090**
Balance on January 1, 2024	**$ 545,838**	**757,631**	**631**	**8,740**	**423**	**98,673**	**1,411,936**
Balance on December 31, 2024	**$ -**	**597,980**	**270**	**6,500**	**295**	**95,633**	**700,678**

The land and hotel development project of the Company located in Taichung, please refer to Note 9(a), (ii) for details. The development project was completed and put into operation on October 23, 2024. The right-of-use assets－land were reclassified to investment properties－right-of-use assets, please refer to Note 6(i) for details.

(i) Investment property

Investment property comprises right-of-use assets that are leased to third parties under operating leases, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 5 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to reimburse the insurance costs of the Company. When this is the case, the amounts of insurance costs are determined annually.

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The movements of the investment property is as follows:

	Owned property		Right-of-use assets	
	Land	Buildings	Land	Total
Cost :				
Balance on January 1, 2025	$ 2,892,174	3,225,204	666,672	6,784,050
Additions	-	6,765	31,584	38,349
Reduction	(78,215)	-	-	(78,215)
Remeasurement	-	-	(113,655)	(113,655)
Reclassification	-	(2,306)	-	(2,306)
Balance on December 31, 2025	**$ 2,813,959**	**3,229,663**	**584,601**	**6,628,223**
Balance on January 1, 2024	$ 2,892,174	-	-	2,892,174
Additions	-	3,184	-	3,184
Reclassification	-	3,222,020	666,672	3,888,692
Balance on December 31, 2024	**$ 2,892,174**	**3,225,204**	**666,672**	**6,784,050**
Depreciation:				
Balance on January 1, 2025	$ -	28,027	137,501	165,528
Depreciation	-	112,520	16,005	128,525
Balance on December 31, 2025	**$ -**	**140,547**	**153,506**	**294,053**
Balance on January 1, 2024	$ -	-	-	-
Depreciation	-	28,027	16,667	44,694
Reclassification	-	-	120,834	120,834
Balance on December 31, 2024	**$ -**	**28,027**	**137,501**	**165,528**
Carrying value:				
Balance on December 31, 2025	**$ 2,813,959**	**3,089,116**	**431,095**	**6,334,170**
Balance on January 1, 2024	**$ 2,892,174**	**-**	**-**	**2,892,174**
Balance on December 31, 2024	**$ 2,892,174**	**3,197,177**	**529,171**	**6,618,522**
Fair value:				
Balance on December 31, 2025				**$ 4,011,511**
Balance on January 1, 2024				**$ 3,301,148**
Balance on December 31, 2024				**$ 7,027,496**

(Continued)

Investment properties comprise a number of commercial properties that are leased to third parties. Each leasing contact includes an original non-cancelable lease term of one to five years, and the lease term of the renewal is available for discussion with the lessee. The contingent rent is not charged in the contract. Please refer to Note 6(q) for the regarding information.

Information on depreciation for the years ended December 31, 2025 and 2024 is discussed in Note 12(b), and for the information on rental revenue and other direct operating expense, please refer to Note 6(q).

The fair value of investment properties is based on recent transaction price of similar location and areas on the website of Department of Land Administration M.O.I. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

For the year ended December 31, 2025, the Company reached an agreement with the lessor to reduce the future monthly rental payments. Please refer to Note 9(a), (ii)(1) for details.

The land and hotel development project of the Company located in Taichung, please refer to Note 9(a), (ii) for details. For the year ended December 31, 2024, the interest relating to other non-current assets, with a capitalized rate of 2.50%, amounted to $11,076 thousand. The development project was completed and put into operation on October 23, 2024, which was reclassified from right-of-use assets and other non-current assets, then was subleased to subsidiary－Taichung CMP Hospitality, please refer to Note 7 for details.

As of December 31, 2025 and 2024, the details of investment properties pledged as collateral, please refer to Note 8.

(j) Other non-current financial assets

	December 31, 2025	December 31, 2024
Restricted Assets	$ 136,729	-
Refundable deposits	110,065	109,653
Debt obligation receivable－The Splendor Hospitality International Co., Ltd.	575,000	575,000
	$ 821,794	**684,653**

(i) The restricted assets primarily relate to the trust accounts for pre-sold real estate projects, the details of restricted assets pledged as collateral, please refer to Note 8.

(ii) In June, 2006, the Company and Prince Housing and Development Co., Ltd. (Prince Housing and Development) entered into assignment of debt agreement with Amida Trustlink Assets which the Company and Prince Housing and Development each owned half of the obligation. The Company and Prince Housing and Development each injected 50% and obtained the major mortgages, collaterals and the appurtenant rights of Taichung Port Splendor Hospitality International Co., Ltd (Taichung Port Splendor). The Group and Prince Housing and Development agreed to pay Amida Trustlink Assets the residual debt in the agreement, the related costs and returns when the real right of the underlying is completed. The Company and Prince Housing and Development each injected 50% and cofounded The Splendor Hospitality International Co., Ltd.. In November 2006, The Splendor Hospitality International and Taichung Port Splendor entered into specific asset transfer agreement and obtained the specific assets of Taichung Port Splendor by assuming its debts. The Company's right of receivables transferred from Taichung Port Splendor to The Splendor Hospitality International. In December 2006, the Company and Prince Housing and Development signed supplementary agreement with Amida Trustlink Assets which increased the selling price of all debt obligations and canceled the payment of the related cost and return. The verdinglichung obligatorischer rechte was assumed by the Company and Prince Housing and Development equally. The details of total debt obligation receivable and obligation cost after deducted the received amount in 2007 are as follows:

	December 31, 2025			
Underlying	**Obligation Cost**	**Obligation Principal**	**Valuation Assessment**	**Collateral**
The Splendor Hospitality International	**$ 575,000**	**796,845**	According to the assessment of Colliers International Real Estate Appraiser Joint Office, the valuation of mortgage is $8,942,754 thousand. After deducting the 1st security, which was amounted to $3,960,000 thousand, the residual mortgage attributed to the Company was amounted to $2,491,377 thousand.	The building of The Splendor Hospitality International (the 2nd security)

	December 31, 2024			
Underlying	**Obligation Cost**	**Obligation Principal**	**Valuation Assessment**	**Collateral**
The Splendor Hospitality International	**$ 575,000**	**796,845**	According to the assessment of Colliers International Real Estate Appraiser Joint Office, the valuation of mortgage is $8,671,540 thousand. After deducting the 1st security, which was amounted to $3,960,000 thousand, the residual mortgage attributed to the Company was amounted to $2,355,770 thousand.	The building of The Splendor Hospitality International (the 2nd security)

(Continued)

(k) Other non-current assets

The details of the other non-current assets is as follows:

	December 31, 2025	December 31, 2024
Incremental costs of obtaining a contract	$ 120,858	-
Discounts for converting residential to commercial	49,467	51,075
Land	22	22
Other	17,756	6,860
	$ 188,103	**57,957**

(i) The amounts, which are classified as assets and will be offset upon the recognition of revenue from the sale of land, are expected to be recovered as consideration for the acquisition of land under purchase agreements or as payments made on behalf of the Company, or as funds advanced by the internal sales department for the construction projects. For details on the cooperation agreements entered into with related parties for this development project, please refer to Note 7(3).8.(13).

(ii) The land held by the Company is located at Xihfeng Township Kengzikou. According to the laws and regulations, companies cannot be registered as landowner, due to the usage of the land is registered for farming. Therefore, the ownership of the land was passed to individuals and was registered as private personal property. In order to safeguarding the Company's assets, the land title deed has been kept and retained by the Company.

(l) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank borrowings	$ 2,061,000	1,870,000
Secured bank borrowings	800,000	600,000
Notes and bills payable	848,769	798,661
Total	**$ 3,709,769**	**3,268,661**
Unused credit limit	**$ 549,000**	**1,130,000**
Range of interest rates	**0.99%~2.6%**	**1.88%~2.1%**

Please refer to Note 8 for details of the assets pledged as collateral for bank borrowings.

(m) Long-term borrowings

The details and terms of the long-term borrowings are as follows:

	December 31, 2025			
	Currency	Range of Interest Rates	Term	Amount
Unsecured bank borrowings	NTD	1.88%~2.10%	2027	$ 1,400,000
Secured bank borrowings	NTD	2.00%~2.84%	2027~2030	5,393,089
Less: Current portion				-
Unamortized long-term borrowings costs				(12,366)
Total				**$ 6,780,723**
Unused credit limit				**$ 377,048**

	December 31, 2024			
	Currency	Range of Interest Rates	Term	Amount
Unsecured bank borrowings	NTD	1.88%~2.11%	2025~2026	$ 1,350,000
Secured bank borrowings	NTD	2.00%~2.68%	2026~2029	4,844,207
Less: Current portion				(300,000)
Unamortized long-term borrowings costs				(9,912)
Total				**$ 5,884,295**
Unused credit limit				**$ 809,922**

(i) Collateral for bank borrowings

Please refer to Note 8 for details of the assets pledged as collateral for bank borrowings.

(ii) Borrowing covenants

The Company entered into a syndicated loan contract in a total credit of $3,150,000 thousand with four joint banks, including Bank Sinopac on September 16, 2024. The borrowed funds were used to pay off the outstanding balance of the original syndicated loan contract and to support all direct or indirect costs and expenses of the Taichung CMP Hospitality development project. According to the contract, during the borrowing repayment periods the Company should file annual and semi-annual consolidated financial statements which were audited and reviewed by CPA and must comply with certain financial covenants, such as the current ratio shall be greater than or equal to 100%, the financial debt ratio shall be less than or equal to 180%, the interest coverage ratio shall be greater than or equal to 5 times, and the tangible net value shall be greater than or equal to $14,000,000 thousand. The compliance with the aforementioned covenants will be examined semi-annually. As of December 31, 2025, the Company was in compliance with the above borrowing covenants.

(n) Bonds payable

The details of the bonds payable is as follows:

	December 31, 2025	December 31, 2024
Unsecured convertible bonds	$ -	259,400
Less:Current portion	-	(259,400)
	$ -	**-**
Equity component-convertible option (which is listed under "capital surplus-stock option")	**$ -**	**8,398**

	For the Years Ended December 31	
	2025	2024
Embedded derivative-losses on remeasurements through fair value (which is listed under "other gains and losses")	**$ -**	**(156)**
Interest expense	**$ -**	**(20,894)**

On January 24, 2022, the Company issued the fourth domestic unsecured convertible corporate bonds amounting to $1.5 billion with the following conditions:

(i) Coupon rate: 0%

(ii) Issuance period: Three years (maturing on January 24, 2025)

(iii) Repayment: Unless the bonds had been redeemed before maturity, repurchased and converted, the bonds will be redeemed by the Company upon maturity at par value.

(iv) Redemption: The Company will redeem the bonds from its creditors under the following circumstances:

1) The Company would repurchase the bond at par value if the close price of the Company' s ordinary share listed on the Taiwan Stock Exchange exceeds or equals 30% of the conversion price for 30 consecutive days from the day after the bonds have been issued for three months to 40 days before maturity.

2) The Company would repurchase the bond at par value if the outstanding balance of bonds is less than 10% of the original issuance value from the day after the bonds have been issued for three months to 40 days before maturity.

(v) Repurchase:

The holders can require the Company to repurchase the bonds at 100.5% of the par value from the day after the bonds have been issued for two years.

(vi) Conversion:

1) The holders can convert the bonds into ordinary shares according to the conversion method from the day after the bonds have been issued for three months to the expiry.

2) The conversion price is $34.2 per share, which is the average close price on the first day, as well as the first three and five operating days, before the base date of the Company's ordinary share listed on the Taiwan Stock Exchange, which was on January 4, 2022, multiply by 104%. To cooperate with the ex-dividend work in 2024, the conversion price had been adjusted from $31.0 per share to $29.9 per share on September 5, 2024 (ex-dividends date).

(vii) For the year ended December 31, 2025, the holders had converted their bonds into 5,826,048 ordinary shares of the Company, with the face value of $174,200 thousand, and the conversion prices of $29.9 per share, respectively. For the year ended December 31, 2024, the holders had converted their bonds into 17,953,058 and 20,038,661 ordinary shares of Company, with the face value of $536,800 thousand and $621,200 thousand, and the conversion prices of $29.9 and $31.0 per share, respectively.

(viii) On January 24, 2025, the Company redeemed its unsecured convertible corporate bonds of $85,200 thousand, in cash, upon maturity.

(o) Lease liabilities

The details of the lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	$ 185,597	189,499
Non-current	$ 803,994	1,098,177

For the maturing analysis, please refer to Note 6(y).

For the years ended December 31, 2025 and 2024, newly added lease liabilities amounted to $4,530 thousand and $3,060 thousand, respectively, and the interest rates were 2.28%~2.46% and 2.36%~2.42%, respectively. The lease liabilities are both between 2026~2029.

The amounts recognized in profit or loss are as follows:

	For the Years Ended December 31	
	2025	2024
Interest on lease liabilities	$ 16,151	17,433
Variable lease payments not included in the measurement of lease liabilities	$ 13,549	13,351
Expenses relating to short-term leases	$ 13,980	12,881

The amounts recognized in the statement of cash flows are as follows:

	For the Years Ended December 31	
	2025	2024
Total cash outflow for leases	$ 232,640	231,695

(i) Real estate leases

The Company leases land and buildings for its offices, retail stores and future project development. The leases of offices, typically run for a period of 2 years, retail stores for a period of 15 years, and the land use rights leased for future project development for 40 to 50 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Company makes at the leased store in the period. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of equipment contain extension or cancellation options exercisable by the Company up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases equipment and transportation, with lease terms of 2 to 6 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases equipment and machinery, dormitory and company cars with contract terms of one year. These leases are short-term or low-value items which the Company has elected not to recognize right-of-use assets and lease liabilities.

(p) Provisions

	Financial Guarantee Contracts
Balance on January 1, 2025	$ 41,003
Provision	1,173
Unwinding of discount	(11,551)
Balance on December 31, 2025	$ 30,625

		Financial Guarantee Contracts
Balance on January 1, 2024	$	50,203
Provision		1,910
Unwinding of discount		(11,110)
Balance on December 31, 2024	**$**	**41,003**

Financial guarantee contract is the endorsement guarantee of credit limit borrowing from the financial institutions which the Company assisted the joint venture to obtain. According to IFRS 9 "Financial Instruments", the financial guarantee contracts are measured at fair value.

(q) Operating leases

The Company leases out investment properties under operating lease which was classified based on not transferring substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset to the lessee. Please refer to Note 6(i) for the regarding information on investment properties.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

		December 31, 2025	December 31, 2024
Less than one year	$	45,900	33,300
One to two years		44,210	44,220
Two to three years		44,100	44,210
Three to four years		44,100	44,100
Four to five years		11,025	44,100
More than five years		-	11,025
Total undiscounted lease payments	**$**	**189,335**	**220,955**

For the years ended December 31, 2025 and 2024, rental revenues from investment properties amounted to $32,515 thousand and $7,668 thousand, respectively. The equipment and maintenance costs arising from the investment properties (recognized under "operating costs") are $0 thousand.

(r) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of defined benefit plans and plan assets are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 6,008	5,958
Fair value of plan assets	(84)	(35)
Net defined benefit liability	**$ 5,924**	**5,923**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Company sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

2) Expenses recognized in profit or loss

The Company' s pension expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 amounted to $48 thousand and $38 thousand, respectively.

(ii) Defined contribution plans

The Company contributes an amount at the rate of 6% of the employees' monthly wages to the Labor Pension personal account with the Bureau of the Labor Insurance and Council of Labor Affairs in R.O.C. in accordance with the provisions of the Labor Pension Act. The Company's contributions to the Bureau of Labor Insurance and Social Security Bureau for the employees' pension benefits require no further payment of additional legal or constructive obligations.

The cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2025 and 2024 amounted to $9,358 thousand and $9,259 thousand, respectively.

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

(s) Income taxes

(i) The income tax (benefit) expense for the years ended December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	**2024**
Current income tax expense		
Current period incurred	$ 9,948	-
Surtax on undistributed earnings	20,503	11,713
Land value increment taxes	307	-
Adjustment for prior periods	(5,074)	(687)
	25,684	11,026
Deferred tax (benefit) expense		
Losses on foreign exchange	-	(113)
Gains from overseas investment	(42,755)	44,120
Gains from sales leaseback	(13,084)	(13,084)
Tax losses	10,692	59,127
Gains on non-performing loan	-	9,206
	(45,147)	99,256
Income tax (benefit) expense	**$ (19,463)**	**110,282**

Income tax on pre-tax financial income was reconciled with income tax (benefit) expense for the years ended December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	**2024**
Profit before income tax	$ 391,654	1,305,473
Income tax expense at domestic statutory tax rate	78,331	261,094
Investment gains accounted for using equity method	(114,025)	(261,790)
Domestic investment incomes under Article 42 of Income Tax Act	(4,820)	(6,171)
Change on unrecognized temporary differences	(341)	54,422
Land value increment tax	307	-
5% surtax on undistributed earnings	20,503	11,713
Prior overestimate/underestimate income tax	(5,074)	(687)
Others	5,656	51,701
Income tax (benefit) expense	**$ (19,463)**	**110,282**

(Continued)

CHINA METAL PRODUCTS CO., LTD.
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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets (liabilities)

The unrecognized deferred tax assets (liabilities) are as follows:

	December 31, 2025	December 31, 2024
Tax losses	$ 160,385	149,693
Deductible temporary differences	(43)	298
	$ 160,342	**149,991**

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

Deferred tax assets:

	Gain on Non-performing Loan	Tax losses	Total
Balance on January 1, 2025	$ -	64,154	64,154
Debit on income statement	-	(10,692)	(10,692)
Balance on December 31, 2025	**$ -**	**53,462**	**53,462**
Balance on January 1, 2024	$ 9,206	123,281	132,487
Debit on income statement	(9,206)	(59,127)	(68,333)
Balance on December 31, 2024	**$ -**	**64,154**	**64,154**

The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize as temporary difference.

As of December 31, 2025, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2021	**$ 801,926**	2031

(Continued)

Deferred tax liabilities:

	Land Value Increment	Foreign Exchange Gains (Losses)	Gains from Overseas Investment	Gains from Sale Leaseback	Total
Balance on January 1, 2025	$ 28,979	(113)	305,245	49,068	383,179
(Credit) debit on income statement	-	-	(42,755)	(13,084)	(55,839)
Balance on December 31, 2025	**$ 28,979**	**(113)**	**262,490**	**35,984**	**327,340**
Balance on January 1, 2024	$ 28,979	-	261,125	62,152	352,256
(Credit) debit on income statement	-	(113)	44,120	(13,084)	30,923
Balance on December 31, 2024	**$ 28,979**	**(113)**	**305,245**	**49,068**	**383,179**

3) The income tax returns of the Company through 2023 had been assessed and approved by the Tax Authority.

(t) Share capital and other interests

(i) Ordinary shares

As of December 31, 2025 and 2024, the authorized capital of the Company are 5,000,000 thousand shares, with par value of $10 per share. The outstanding shares were amounted to $4,226,043 thousand and $4,167,782 thousand, respectively and the capital that arose from the shares had all been retrieved.

(ii) Capital surplus

The components of the capital surplus are as follows:

	December 31, 2025	December 31, 2024
From issuance of share capital	$ 1,616,500	1,494,920
Employee stock option of subsidiaries	33,352	33,352
Stock option of convertible bonds	2,758	8,398
From conversion of convertible bonds	843,035	843,035
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	5,987	6,219
Recognition of changes in the ownership interests in subsidiaries	32,258	-
	$ 2,533,890	**2,385,924**

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

(Continued)

(iii) Retained earnings

The Company's Articles of Incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate for special reserve. The remaining balance of the earnings, if any, may be appropriated according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. If all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

The Company is in the growth stage of business cycle and the annual earnings and future cash flow is maintained stable. Considering the Company's significant investment plan for the future, the Company applied "Residual dividend policy" for long-term operating plan and funding needs. The dividend distribution of cash and stock is correlated with annual earning. The Company's stock dividends cannot be higher than 70% of the total dividend.

1) Legal reserve

When a company incurs no loss for the year, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company chose to apply the exemption under IFRS 1 at its initial adoption of IFRSs. Any unrealized revaluation surplus, accumulated translation adjustment, and increasing amount incurred from adopting the fair value as cost for the assets classified as investment property at the transition date, are classified to retained earnings at the amount of $49,081 thousand. The Company shall allocate the same amount in special reserve in accordance with the requirements issued by the Financial Supervisory Commission. When there is any subsequent use, disposal, or reclassification of the relevant assets, the Company may reverse and proportionately appropriate the earnings distribution originally allocated to special reserve. The amount of special reserve as of December 31, 2025 and 2024 were $49,081 thousand.

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. When the Company distributes its 2022 earnings in 2023, a portion of its current-period earnings and undistributed prior-period earnings

(Continued)

shall be reclassified to special earnings reserve. When the Company distributes its 2023 earnings in 2024, the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and undistributed prior-period earnings, shall be reclassified to special earnings reserve. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amount of cash dividends of appropriations of the Company' s 2024 and 2023 earnings was based on the resolutions decided during the meetings of the Board of Directors held on March 10, 2025 and March 14, 2024, respectively. The appropriations of other earnings for 2024 and 2023 had been approved in the shareholders' meeting on June 17, 2025 and June 25, 2024 respectively. These earnings are appropriated as follows:

	For the Years Ended December 31			
	2024		2023	
	Allotment (NTD)	Amount	Allotment (NTD)	Amount
Common stock dividends per share				
Cash	$ 1.75	**729,362**	1.51	**571,968**

The amount of cash dividends of appropriations of the Company's 2025 earnings was based on the resolution decided during the meetings of the Board of Directors held on March 12, 2026.

	For the Year Ended December 31	
	2025	
	Allotment (NTD)	Amount
Common stock dividends per share		
Cash	$ 0.80	**333,011**

(iv) Treasury stocks

For the year ended December 31, 2025, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 6,341 thousand shares as treasury stock in order to transfer to the employees. As of December 31, 2025, a total of 6,341 thousand stocks were yet to be cancelled.

In accordance with the requirements of Securities and Exchange Act, treasury stock held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

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(v) Other equity (net of tax)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at FVOCI	Total
Balance on January 1, 2025	$ 120,963	30,389	151,352
Exchange differences on foreign operations	35,482	-	35,482
Unrealized gain on financial assets measured at FVOCI	-	374	374
Balance on December 31, 2025	**$ 156,445**	**30,763**	**187,208**
Balance on January 1, 2024	$ (160,089)	49,704	(110,385)
Exchange differences on foreign operations	281,052	-	281,052
Unrealized losses on financial assets measured at FVOCI	-	(19,315)	(19,315)
Balance on December 31, 2024	**$ 120,963**	**30,389**	**151,352**

(u) Earnings per share

The Company's earnings per share are calculated as follows:

	For the Years Ended December 31	
	2025	2024
Basic earnings per share		
Profit attributable to owners of the parent	**$ 411,117**	**1,195,191**
Weighted average number of ordinary shares	**419,549**	**392,189**
Basic earnings per share (dollar)	**$ 0.98**	**3.05**
Diluted earnings per share		
Profit from continuing operation attributable to the Company	$ 411,117	1,195,191
Convertible bonds	-	(16,559)
Profit attributable to owners of the parent (after the adjustment of diluted ordinary shares)	**$ 411,117**	**1,178,632**
Weighted average number of ordinary shares	419,549	392,189
Effect of potential diluted ordinary shares		
Employee stock option	671	1,389
Convertible bonds	-	8,675
Weighted average number of ordinary shares (after the adjustment of diluted ordinary shares)	420,220	402,253
Diluted earnings per share (dollar)	**$ 0.98**	**2.93**

(Continued)

CHINA METAL PRODUCTS CO., LTD.
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(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Year Ended December 31, 2025		
	Metal Manufacturing Segment	Lifestyle Innovation Segment	Total
Major geographic markets:			
Taiwan	$ 276,957	488,036	764,993
United States	55,111	-	55,111
Canada	48,716	-	48,716
Japan	16,411	-	16,411
China	61	-	61
Europe	88,551	-	88,551
South America	1,435	-	1,435
Others	14,123	-	14,123
	$ 501,365	**488,036**	**989,401**
Major product/service lines:			
Iron casting hardware	$ 496,244	-	496,244
Counter commissions	-	409,844	409,844
Others	5,121	78,192	83,313
	$ 501,365	**488,036**	**989,401**

	For the Year Ended December 31, 2024		
	Metal Manufacturing Segment	Lifestyle Innovation Segment	Total
Major geographic markets:			
Taiwan	$ 328,369	458,319	786,688
United States	57,583	-	57,583
Canada	84,990	-	84,990
Japan	27,194	-	27,194
China	2,335	-	2,335
Europe	59,835	-	59,835
South America	1,520	-	1,520
Others	34,495	-	34,495
	$ 596,321	**458,319**	**1,054,640**
Major product/service lines:			
Iron casting hardware	$ 594,008	-	594,008
Construction	-	380,971	380,971
Other	2,313	77,348	79,661
	$ 596,321	**458,319**	**1,054,640**

(Continued)

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable	$ 132,694	151,035	200,841
Less: Loss allowance	(10,101)	(96)	(69)
Accounts receivable due from related parties net	14,700	13,102	14,971
Total	**$ 137,293**	**164,041**	**215,743**
Contract assets	**$ -**	**-**	**-**
Contract liabilities –Advanced receipts	**$ 4,238**	**2,580**	**3,653**
Contract liabilities –Advance receipts for real estate	**$ 257,278**	**-**	**-**

For details of accounts receivable and allowance for impairment, please refer to Note 6(c).

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liabilities balance at the beginning of the period were $472 thousand and $531 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(w) Employees' compensation and remuneration of directors

On June 17, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2.5% shall be allocated as employee remuneration (including a minimum of 30% to those base-level employees) and a maximum of 2.5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2.5% should be allocated as employee remuneration and no more than 2.5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the years ended December 31, 2025 and 2024, appropriated employees' compensation by $11,580 thousand and $38,599 thousand, respectively, and appropriated remuneration of directors by $10,339 thousand and $34,463 thousand, respectively, which were estimated on the basis of the Company's net profit before tax, excluding employees' compensation and the remuneration of directors of each period, then multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles of Incorporation. Such amounts were recognized as operating cost or operating expense for the years ended December 31, 2025 and 2024. The number of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting. Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss.

There was no difference between employees' compensation and remuneration of directors approved by the Board of Directors meeting and the estimated amount for the year of 2024.

Information on the employees' compensation and remuneration of directors approved by the Board of Directors meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(x) Non-operating income and expenses

(i) Interest income

The information on interest income is listed as follows:

	For the Years ended December 31	
	2025	2024
Interest income from bank deposits	$ 2,996	2,448
Interest income from financial guarantee contracts	11,551	11,110
Interest income from loans to related parties	311	1,622
Others	1,439	1,985
Total interest income	**$ 16,297**	**17,165**

(ii) Other income

The information on other income is listed as follows:

	For the Years Ended December 31	
	2025	2024
Dividend income	$ 24,099	30,855
Rental revenue	33,822	9,671
Management service revenue	19,148	17,892
Others	36,532	280,791
Total other income	**$ 113,601**	**339,209**

(iii) Other gains and losses

	For the Years Ended December 31	
	2025	2024
Losses on Financial assets at FVTPL	$ -	(156)
Gain (losses) on disposals of property, plant and equipment	67	(1,059)
Gain on disposal of investment properties	62,277	-
Gain on disposal of investments	34,152	-
Foreign exchange gains	6,398	6,646
Other losses	-	(11,251)
Compensation losses	(513)	-
Net amount of other gains and losses	**$ 102,381**	**(5,820)**

(iv) Finance costs

	For the Years Ended December 31	
	2025	2024
Borrowing interest expense	$ 220,848	205,540
Bonds interest expense	-	(20,894)
Capitalized interest expense	-	(11,076)
Lease liability interest expense	16,151	17,433
Bank borrowing costs	2,000	1,785
	$ 238,999	**192,788**

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

Since the Company had a large number of unrelated customers, the concentration of the credit risk is limited.

3) Credit risks of receivables and debt securities

For the information regarding credit risk exposure of notes and accounts receivables, please refer to Note 6(c). Other financial assets at amortized cost include other receivables and time deposits.

All of these financial assets mentioned above are considered to be low risk, therefore, the impairment provision recognized during the period was limited to 12 months expected losses. For the allowance of impairment on financial assets for the years ended December 31, 2025 and 2024, please refer to Note 6(c).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments, but not the impact of netting agreements.

	Contractual Cash Flow	Within 6 Months	6-12 Months	1-2 Years	2-5 Years	Over 5 Years
December 31, 2025						
Non-derivative financial liabilities						
Bank borrowings	$ 10,995,432	3,794,228	80,504	1,935,004	5,185,696	-
Lease liabilities	1,239,395	101,606	100,918	201,350	188,310	647,211
Notes and accounts payable (including related parties)	348,638	348,638	-	-	-	-
Other payables (including related parties)	260,448	260,448	-	-	-	-
Guarantee deposits received	12,548	3,895	1,410	2,020	2,150	3,073
	$ 12,856,461	**4,508,815**	**182,832**	**2,138,374**	**5,376,156**	**650,284**
December 31, 2024						
Non-derivative financial liabilities						
Bank borrowings	$ 9,870,228	2,771,181	644,692	2,342,820	4,111,535	-
Bonds payable	259,400	259,400	-	-	-	-
Lease liabilities	1,455,204	102,624	101,935	201,560	371,725	677,360
Notes and accounts payable (including related parties)	348,861	348,861	-	-	-	-
Other payables (including related parties)	488,782	488,782	-	-	-	-
Guarantee deposits received	12,033	1,762	2,658	1,790	2,750	3,073
	$ 12,434,508	**3,972,610**	**749,285**	**2,546,170**	**4,486,010**	**680,433**

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk is as follows:

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD	$ 1,266	31.43	39,781	1,038	32.79	34,040
EUR	558	36.90	20,607	773	34.14	26,377
JPY	14,905	0.2008	2,993	49,645	0.2099	10,420
CNY	105,700	4.50	475,651	1	4.48	3
Financial liabilities						
Monetary items						
USD	$ 19	31.43	609	31	32.79	1,020
EUR	29	36.90	1,073	11	34.14	376
CNY	45	4.50	204	45	4.48	203

(Continued)

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable and other payables that are denominated in foreign currency. A 1% of appreciation or depreciation of each major foreign currency against the Company's functional currency as of December 31, 2025 and 2024 would have increased (decreased) the after-tax net income for the years ended December 31, 2025 and 2024 by $4,297 thousand and $554 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the years ended December 31, 2025 and 2024, the foreign exchange (losses) gains, including both realized and unrealized, were amounted to $6,398 thousand and $6,646 thousand, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments at the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date.

If the interest rate increases or decreases by 1% the Company's net income will decrease /increase by $96,541 thousand and $86,642 thousand for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate borrowing.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis were based on the same and other variables considered in the analysis remain the same:

	For the Years Ended December 31			
	2025		2024	
	Other Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Other Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 10%	$ 11,852	-	13,521	-
Decrease 10%	$ (11,852)	-	(13,521)	-

(Continued)

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(vi) Fair value of financial instruments

1) Fair value hierarchy

The Company measured its financial assets at FVOCI on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy are as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Non-current financial assets at FVOCI	$ 118,522	-	-	118,522	118,522
Financial assets measured at amortized cost	$ 1,914,638	-	-	-	-
Financial liabilities measured at amortized cost	$ 12,101,717	-	-	-	-

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Non-current financial assets at FVOCI	$ 135,210	-	-	135,210	135,210
Financial assets measured at amortized cost	$ 1,276,209	-	-	-	-
Financial liabilities measured at amortized cost	$ 11,849,707	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. Market prices quoted from main exchanges and over-the-counter are the basis of fair value of equity instruments and credit instrument traded in active markets.

If the quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

(Continued)

If the financial instruments held by the Company have active market, the measurements of fair value are categorized as follows:

- The listed redeemable bonds, listed stocks, drafts and bonds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at discounted cash flow model. The assumption is discounted investees' expected future cash flows by using the discounting rate which reflects the time value of money and the return of the investment.

3) Transfers between Level 1 and Level 2

There were no transfers in either direction for the years ended December 31, 2025 and 2024.

4) Reconciliation of Level 3 instruments

	Non-current Financial Assets at FVOCI
	Equity Instrument without Quoted Price
Balance on January 1, 2025	$ 135,210
Total gains or losses	
Recognized as other comprehensive income	(2,626)
Cash capital reduction	(14,062)
Balance on December 31, 2025	**$ 118,522**
Balance on January 1, 2024	$ 142,751
Total gains or losses	
Recognized as other comprehensive income	(7,541)
Balance on December 31, 2024	**$ 135,210**

The total gains or losses is listed under "unrealized gains and losses on financial assets at FVOCI". The information on assets held as of December 31, 2025 and 2024 is as follows:

	For the Years Ended December 31	
	2025	2024
Total gains or losses		
Recognized as other comprehensive income (which is listed under "unrealized losses on financial assets of FVOCI")	$ (2,626)	(7,541)

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

The Company's financial instruments that use Level 3 inputs to measure fair value is "financial assets measured at fair value through profit or loss – equity investments".

Most of the Company's financial assets in Level 3 have only one significant unobservable input, while its equity investments without an active market have more than one significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information on significant unobservable inputs is as follows:

Item	Valuation Technique	Significant Unobservable Inputs	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Financial assets at FVOCI - equity investments without active market	Dividend discount model	• Average expected future dividend income of 5 years (As of December 31, 2025 and 2024, were $2,175~17,565 thousand and $1,425~18,916 thousand, respectively.)	• The estimated fair value would increase, if the 5-year average expected future dividend income is increased.
〃	〃	• Weighted average capital cost (As of December 31, 2025 and 2024, were 3.90% and 3.65%, respectively.)	• The estimated fair value would decrease, if the weighted average capital cost is increased.
〃	〃	• Discounting rate without market liquidity (As of December 31, 2025 and 2024, were both 15%)	• The estimated fair value would decrease, if the discounting rate without market liquidity is increased.

(Continued)

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company' s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs (Note)	Fluctuation in Inputs	Other Comprehensive Income	
			Favorable	Unfavorable
December 31, 2025				
Financial assets at FVOCI				
Equity investments without an active market	3.90 %	1%	4,316	(4,101)
December 31, 2024				
Financial assets at FVOCI				
Equity investments without an active market	3.65 %	1%	5,101	(4,842)

Note: Inputs are the weighted average capital cost.

The favourable and unfavourable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(z) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company has assigned the manager of the relating department for assessing, controlling and monitoring the strategic, financial and operating risks. The manager reports risk status to the management and regularly report to the Board of Directors on its activities.

(iii) Credit risk

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

1) Accounts and other receivable

The exposure of the credit risk is depend on each customer. The Company assesses the customers' credit risk based on their basic information, which comprises of the default risk in their industry and country. For the years ended December 31, 2025 and 2024, there were no geographical concentration of credit risk.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

The allowance for bad debts is reflected the losses incurred in the accounts and other receivables, which is mainly comprised of specific loss from significant individual exposure and incurred, but unidentified portfolio loss from group assets. The assessment of portfolio loss is based on the historical statistics of payment.

2) Investment

The exposure to credit risk for the bank deposits and financial instruments is measured and monitored by the Company's finance department. The Company only deals with counterparties with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties. The Company has assessed the counterparties' credit rating when invested in financial assets measured at cost, therefore, does not expect any significant credit risk.

3) Guarantees

As of December 31, 2025 and 2024, please refer to Note 7 and 13(a), (ii) for the details of financial guarantees of subsidiaries and joint venture provided by the Company.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the EUR, USD, JPY, HKD and CNY.

The Company held the accounts receivable denominated in foreign currencies other than the respective functional currencies of the Company's entities. The exchange gain or loss from the exchange rates change can be offsetted by exchange gain or loss from short-term loan denominated in foreign currencies, which would mitigate the exposure of currency risk.

The borrowing interest is denominated by the principal' s currency. The borrowing currency are the same as the Company's operating cash flow which mainly are NTD and USD.

Other monetary assets and liabilities denominated in foreign currencies are using the current exchange rates to maintain the net currency risk at the acceptable level.

2) Interest rate risk

The Company uses the floating interest rates for the long-term and short-term loans which the effective interest rates float with the market change. The Company's financial department is measuring and monitoring the market change.

3) Other market price risk

The Company does not enter into a contract, except for the expected use and sales. The contract is not under the net settlement basis.

(aa) Capital management

The objectives of the Board' s policy are to maintain an optimal capital structure to keep the investors, creditors, the market faith, and the future operation.

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

(Continued)

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For the year ended December 31, 2025, the Company's capital management strategy is consistent with the prior year ended December 31, 2024. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2025 and 2024, is as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 12,763,875	12,299,836
Less: Cash and cash equivalents	(907,683)	(363,128)
Net debt	11,856,192	11,936,708
Total equity	15,072,632	15,335,635
Total capital	**$ 26,928,824**	**27,272,343**
Debt-to-capital ratio	**44.03 %**	**43.77 %**

(ab) Investing and financing activities not affecting the current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024, were as follows:

(i) The reconciliation of liabilities from financing activities is shown in the table below:

	January 1, 2025	Cash flows	Non-cash changes Bonds Conversion	December 31, 2025
Convertible bonds	**$ 259,400**	**(85,200)**	**(174,200)**	**-**

For conversion of convertible bonds to ordinary shares, please refer to Note 6(n).

(ii) Reconciliation of assets arising from investing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes Remeasurement	December 31, 2025
Investment property－right-of-use assets－land	**$ 666,672**	**31,584**	**(113,655)**	**584,601**

	January 1, 2025	Cash flows	Non-cash changes Reclassification	December 31, 2025
Other non-current assets	**$ 57,957**	**120,617**	**9,529**	**188,103**

	January 1, 2024	Cash flows	Non-cash changes Reclassification	December 31, 2024
Other non-current assets	**$ 3,065,317**	**214,660**	**(3,222,020)**	**57,957**

For remeasurement of investment property－right-of-use assets－land, please refer to Note 6(i).

(Continued)

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(7) Related-party transactions:

(a) The ultimate parent company

The company is the ultimate controlling party of the Company and its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with the Company's subsidiaries and related parties during the periods covered in the consolidated financial statements.

Name of Related Party	Relationship with the Company
United Elite Agents Limited (UEA)	Subsidiaries
Atrans Precision Industries Co., Ltd. (Atrans Precision)	Subsidiaries
Sunflower Investment Co., Ltd. (Sunflower Investment)	Subsidiaries
The Hotel National Co., Ltd. (The Hotel National)	Subsidiaries
CMAI CO., LIMITED. (CMAI)	Subsidiaries
CMJ Co., Ltd. (CMJ)	Subsidiaries
CMP Lifestyle Hospitality Co., Ltd. (CMP Lifestyle Hospitality) (Note)	Subsidiaries
PUJEN Land Development Co., Ltd. (PUJEN Land Development)	Subsidiaries
Shangrila Tourism Co., Ltd. (Shangrila Tourism)	Subsidiaries
Taichung CMP Hospitality Management Consulting Co., Ltd. (Taichang CMP Hospitality)	Subsidiaries
Calligraphy Greenway Plaza Co., Ltd. (Calligraphy Greenway Plaza)	Subsidiaries
Great Naturalistic Block Co., Ltd. (Great Naturalistic Block)	Subsidiaries
CMP Intelligence Technology Co., Ltd. (CMP Intelligence Technology)	Subsidiaries
China Metal International Holdings Inc. (CMI)	Subsidiaries
China Metal International (BVI) Limited (CMI (BVI))	Subsidiaries
CMW (Cayman Islands) Co., Ltd. (CMW (C.I.))	Subsidiaries
CMB (H.K.) Co., Ltd. (CMB (H.K.))	Subsidiaries
Suzhou CMB Machinery Co., Ltd. (Suzhou CMB)	Subsidiaries
CMP (H.K.) Industry Co., Ltd. (CMP (H.K.))	Subsidiaries
Tianjin CMT Industry Co., Ltd. (Tianjin CMT)	Subsidiaries
Suzhou CMS Machinery Co., Ltd. (Suzhou CMS)	Subsidiaries
CMW (Tianjin) Industry Co., Ltd. (CMW (Tianjin))	Subsidiaries
CMI (Wu Han) Precision Machinery Co., Ltd. (CMH)	Subsidiaries
Qingdao Sourcing Specialists Trading Co., Ltd. (Qingdao Sourcing Specialists)	Subsidiaries

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Name of Related Party	Relationship with the Company
SIAM SST CO., LTD (SIAM SST)	Subsidiaries
FAR HSING (SAMOA) ENTERPRISE CO., LTD. (FAR HSING (SAMOA))	Subsidiaries
CHINGENG Land Development Co., Ltd. (CHINGENG Land Development)	Subsidiaries
PUJEN CHENGMEI Land Development Co., Ltd. (PUJEN CHENGMEI Land Development)	Subsidiaries
PUZHI Construction Co, Ltd. (PUZHI Construction)	Subsidiaries
CMAI Holding, Inc. (CMAI Holding)	Subsidiaries
Pilot Drive, LLC. (Pilot)	Subsidiaries
CMAI INDUSTRIES, INC. (CMAI N.A.)	Subsidiaries
CMAI-MEX Holding LLC (CMAI-MEX)	Subsidiaries
MEXICO CMI-CMAI S. de R.L. de C.V. (MEXICO CMI-CMAI)	Subsidiaries
The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality)	Joint ventures
CMAAN Health Co. Ltd. (CMAAN Health)	Joint ventures
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associates
Advancision Corporation (Advancision)	Subsidiaries of subsidiaries' associates
ADVANCISION (CAYMAN) Industries Co., Ltd.(ADVANCISION (CAYMAN))	Associate of subsidiaries
Mr. Ting Fung, Lin	Key management
Chain-Yuan Investment Co., Ltd. (Chain-Yuan Investment)	Other related parties
CMP PUJEN Foundation for Arts and Culture (Foundation)	Other related parties
Gee Lien Resource Development Corp. (Gee Lien Resource)	Other related parties
San Lien Technology Corp. (San Lien Technology)	Other related parties
HUA YUN Floral Art Co., Ltd. (HUA YUN Floral Art)	Other related parties
Mr. Ming Shiann, Ho	Other related parties
Ms. Pei Fen, Ho	Other related parties
Mr. Chieh Jen, Cheng	Other related parties
Mr. Kuei Chin, Wu	Other related parties

Note: On September 22, 2025, the Company was approved by the Ministry of Economic Affairs to change its name from National Management to CMP Lifestyle Hospitality Co., Ltd.

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

(c) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales transactions between the Company and related parties are as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 41,096	45,786
Joint ventures	322	1,070
Other related parties	46	3
	$ 41,464	**46,859**

The sales between the Company and related parties approximated the market price.

(ii) Purchases from related parties

The amounts of significant purchases transactions between the Company and related parties are as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	**$ -**	**186**

The purchases mentioned above could not compare to the market because the Company did not purchase same items from non-related parties. The payment terms with related parties are not significantly different from those with third parties.

(iii) Receivables due from related parties

The information on receivables due from related parties is as follows:

Accounts	Categories	December 31, 2025	December 31, 2024
Accounts receivables	Subsidiaries	**$ 14,700**	**13,102**
Other receivables	Subsidiaries	$ 14,811	3,973
Other receivables	Associates	2,862	23
Other receivables	Joint ventures	23	10
Other receivables	Other related parties	13	-
Total		**$ 17,709**	**4,006**

(Continued)

(iv) Payables due to related parties

The information on payables due to related parties is as follows:

Accounts	Categories	December 31, 2025	December 31, 2024
Other payables	Subsidiaries	$ 34,571	30,369
Other payables	Joint ventures	324	530
Other payables	Other related parties	202	782
Other payables	Key management	103	87
Total		**$ 35,200**	**31,768**

(v) Loans to Related Parties

The loans to related parties are as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	**$ -**	**28,000**

Interest income

	December 31, 2025	December 31, 2024
Subsidiaries	**$ 311**	**1,622**

The interest charged by the Company to its related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties were unsecured. There are no provisions for doubtful debt required after the management’s assessment.

(vi) Guarantees and endorsements

The Company guaranteed and endorsed for subsidiaries' and joint ventures' bank loaning. The ending balance of endorsement guarantee was $4,154,000 thousand and $3,954,000 thousand and the actual borrowing amount was $2,658,000 thousand and $2,504,000 thousand, respectively, as of December 31, 2025 and 2024.

(vii) Non-performing receivables

	Total Claims	
	December 31, 2025	December 31, 2024
Joint ventures: The Splendor Hospitality	**$ 796,845**	**796,845**

	Costs of Claims	
	December 31, 2025	December 31, 2024
Joint ventures: The Splendor Hospitality	**$ 575,000**	**575,000**

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

(viii) Other transactions

1) The information on office leased by the Company is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 3,978	3,805
Other related parties	2,544	2,401
	$ 6,522	**6,206**

2) The information on office leased to related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 30,023	17
Associates	249	262
	$ 30,272	**279**

3) The information on providing management consulting service to related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 14,024	12,259
Joint ventures	5,124	5,633
	$ 19,148	**17,892**

4) The information on providing guarantees and endorsements to related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Joint ventures:		
The Splendor Hospitality	$ 11,478	11,037
Others	73	73
	$ 11,551	**11,110**

5) The information on remuneration of directors paid by related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	**$ -**	**1,737**

(Continued)

6) The information on management consulting service provided by related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 117,164	97,046

7) The information on entertainment and travel expense arose from catering and accommodation provided by related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 1,706	1,203
Joint ventures	16	51
Other related parties	6	3
	$ 1,728	1,257

8) The information on other services or transactions provied by related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ 6,676	5,274
Joint ventures	256	200
Other related parties	143	21
	$ 7,075	5,495

9) The information on donation to related parties is as follows:

	For the Years Ended December 31	
	2025	2024
Other related parties: Foundation	$ 12,150	15,000

10) Prepayments:

	Prepayments	
	December 31, 2025	December 31, 2024
Joint ventures	$ 60	-

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11) The information on contruction and engineering service for Taichung development project provided by subsidiary (recognized under investment properties and other non-current assets) is as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	$ 204,424	204,424
Other related party	5,351	5,351
	$ 209,775	**209,775**

	For the Years Ended December 31	
	2025	2024
Subsidiaries	$ -	15,352
Other related parties	-	745
	$ -	**16,097**

12) The information on construction in retention for Taichung development projects to be paid by the Company is as follows:

	December 31, 2025	December 31, 2024
Other related parties	**$ -**	**360**

13) The information on the sales commission for joint-construction agreement paid by the Company is as follows (recognized under other non-current assets):

	December 31, 2025	December 31, 2024
Cumulative payments	**$ 120,858**	**-**

The Company entered into a joint-construction agreement with its subsidiary, PUJEN Construction, and The Hotel National, wherein a residential building will be erected on the 19 parcels of land located in Houlongzi Section, West District, Taichung City. Upon completion of the construction, the three parties will jointly sell the said building, in which the total amount sold will be allocated on a ratio of 40.5:59.5 between the landowner and the builder, respectively, based on a resolution approved during the Company's board meeting held on November 7, 2023. The sales commission paid by the Company to PUJEN Construction was determined at 6% of the contract price of land.

14) The Company's total selling price for presale construction project to other related party is as follows:

	December 31, 2025	December 31, 2024
Total contract price (tax included)	**$ 12,590**	**-**
Total amounts received under contracts (recognized under non-current contract liabilities)	**$ 1,260**	**-**

(Continued)

In December 2025, pursuant to a resolution decided by its board, the Company entered into pre-sale housing contracts with other related parties, with a total contract amount of $12,380 thousand (tax included). As of the reporting date, the contracts have yet to be completed.

15) On March 14, 2024, the Board of Directors of the Company resolved to sign a lease agreement with its subsidiary－Taichung CMP Hospitality. The subject of the lease is the entire building at No. 77, Guanqian Road, West District, Taichung City and its ancillary facilities for hotel operation. The lease term is from March 15, 2024 to March 31, 2030. The rent will be charged at a fixed rate of $2,500 thousand (before tax) per month for the first year. The monthly fixed rent thereafter will be $3,500 thousand (before tax). In addition, the rent will be calculated by the amount of revenue based on the quarterly operating results of InterContinental Taichung. No refundable deposit will be collected as agreed. The Company hereby reclassified right-of-use assets－land and other non-current assets to investment properties, please refer to Note 6(i) for details.

(d) Key management transactions

The compensation of key management is as follows:

	For the Years Ended December 31	
	2025	2024
Short-term employee benefits	$ 65,613	95,569
Post-employment benefits	904	842
	$ 66,517	**96,411**

(8) Assets pledged as security

The information on pledged assets' carrying value is as follows:

Pledged Assets	Object	December 31, 2025	December 31, 2024
Land (including other non-current assets)	The credit limits of long-term and short-term bank borrowings	$ 13,319	13,319
Buildings	〃	2,591	2,718
Investments accounted for using equity method	The credit limits of long-term bank borrowings	3,636,032	3,746,482
Investments properties—Land	〃	2,361,924	2,616,852
Other current financial assets	Long-term bank borrowings	537	482
Other non-current financial assets	Trusts	136,729	-
		$ 6,151,132	**6,379,853**

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

(9) Commitments and contingencies

(a) The Company's unrecognized contractual commitments are as follows:

(i) The unrecognized contractual commitments from contracts for selling and purchasing of equipment and engineering constructioin entered into by the Company are as follows:

	December 31, 2025	December 31, 2024
Total contract price	$ 95,057	2,633,227
Total amounts paid under contracts	$ 78,216	2,472,197

(ii) 1) The Company and The Presbyterian Church in Taiwan entered into an real estate leasing contract, with the contract term of 40 years, commencing the day after the signing date, September 30, 2016. For the development of the leasing real estates, the Company agreed to pay development royalty amounted to $126,000 thousand. As of December 31, 2025 and 2024, the accumulated royalty payments amounted to $126,000 thousand, respectively, which was recognized under right-of-use assets. For the year ended 2025, the Company agreed to reduce the future monthly rental, resulting in its the right-of-use asset to decrease by $113,655 thousand.

2) The Company leased a parcel of land to construct several buildings for its hotels. The Company agreed that the ownership of the buildings would still be under the title deed of the Presbyterian Church in Taiwan even after the completion of the construction. Upon maturity of the lease period, the Company shall dismantle the buildings and related facilities, and return the land to the Presbyterian Church in Taiwan.

3) The security deposits paid by the Company for land development and leased land and buildings for hotel operating both amounted to $106,080 thousand, as of December 31, 2025 and 2024.

(iii) The Company entered into various services agreement with InterContinental Hotels Group for its hotel operation, including planning, constructing and building, as well as during the pre-opening phase, and from the pre-opening phase to the opening day and fifteen years afterwards. According to the contract, the fees shall either be paid based on the services rendered, or be calculated in accordance with certain ratio of the gross revenue for the fiscal year or each accounting period.

(b) Contingencies

(i) Please refer to Note 7 for the Company's lending and guarantees and endorsements for related parties for the years ended December 31, 2025 and 2024.

(Continued)

(ii) The stages of Daguangsan petition for real estate transaction and the regarding tax investigation are as follows:

Litigant	Issue	Current Status
The Company	Filing a petition for the administrative penalty of the value-added tax in the Daguangsan real estate transaction which was approved by National Taxation Bureau of Taipei	National Taxation Bureau of Taipei has approved the additional value-added tax and the regarding penalty amounted to $38,497 thousand, which the Company had paid $25,665 thousand in 2012. The Company was dissatisfied with the verdict from the original authority, which has filed the administrative petition. According to the ruling of the Taipei High Administrative Court, the lawsuit has now been suspended.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) The Securities and Futures Investors Protection Center (SFIPC) filed a criminal incidental civil action to the Supreme Court on behalf of the Company against the former chairman of the Company, Mr. Ming Shiann, Ho, wherein the appeal was handed back over to the High Court for reconsideration on August 22, 2019. Thereafter, the Tainan Branch of Taiwan High Court suspended the proceedings on May 30, 2024, until the criminal appeal of violation of the Securities and Exchange Law No. 21 has come into conclusion in 2024.

(b) Employee benefits, depreciation, and amortization are summarized as follows:

By function / By item	For the Years Ended December 31					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	110,541	148,370	258,911	117,927	164,814	282,741
Labor and health insurance	11,548	13,951	25,499	12,130	14,056	26,186
Pension	3,400	6,006	9,406	3,348	5,949	9,297
Remuneration of directors	-	30,251	30,251	-	54,327	54,327
Others	7,957	5,684	13,641	5,667	6,405	12,072
Depreciation	98,996	322,647	421,643	86,782	239,794	326,576
Amortization	1,065	7,991	9,056	1,185	6,115	7,300

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For the years ended December 31, 2025 and 2024, the average numbers of Company employees were as follows:

	2025	2024
Number of employees	318	332
Number of directors (non-employee)	8	8
Average employee benefit expense	$ 992	1,019
Average employee salary expense	$ 835	873
Percentage of average employee salary expense	(4.35)%	2.46 %
Remuneration for supervisors	$ -	-

The Company' s salary and remuneration policy (including directors, supervisors, managers and employees) is as follows:

(i) Directors:

The Company' s current remuneration package to directors is salary, compensation and transportation allowance, etc., all in accordance with The Company' s articles. According to Article 27-1 of the Articles of Incorporation, if the Company makes a profit of the year, the remuneration of directors is not more than 2.5% of the profit. The Company also stipulats " Remuneration Policy for Directors, Remuneration Committee, Audit Committee and Managers", considering the Company' s business performance, as well as the value of their participation in and contribution to the Company' s operations to provide reasonable remuneration. The reasonableness of the related remuneration has been reviewed by the Salary and Compensation Committee and the Board of Directors. The Company setup the Audit Committee on June 19, 2017, and abolished the Supervisor system.

(ii) Managers and employees:

According to Article 27-1 of the Articles of Incorporation, if the Company makes a profit of the year, employees' compensation is appropriated at the rate of not less than 2.5% of the profit. The Company also stipulates "Remuneration Policy for Directors, Remuneration Committee, Audit Committee and Managers" and " Remuneration Management Measures". Remuneration includes salary and bonuses; the former is determined according to their working years and job value and the latter include employee remuneration and budget achievement bonuses and year-end bonuses, etc.. Employee compensation is allocated based on the Company' s annual earnings status, taking into account their duties, responsibilities, seniority and special contributions to the Company, and standards beneficial to the Company's long-term development. Budget achievement bonus and year-end bonus are based on the performance of each department, financial performance (target revenue and profit, budget goal achievement, growth and new markets, effective financial operation and risk management), talent cultivation (elite talent cultivation, retention rate), quality and risk (compliance with laws and regulations) to provide reasonable remuneration. The usual level of payment in the industry, the reasonable distribution of personal performance, operating performance and future risk are also considered. The remuneration system is reviewed in a timely manner, based on the actual state of operation and the relevant laws and regulations, so as to strike a balance between the Company's sustainable operation and risk control.

(Continued)

CHINA METAL PRODUCTS CO., LTD.
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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions for the year ended December 31, 2025, required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

(In Thousands of NTD)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance During the Period	Ending Balance (Note 1)	Actual Borrowing Amount	Interest Rate	Nature for Financing (Note 2)	Transaction Amount for Business	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 4)
													Item	Value		
0	The Company	Taichung CMP Hospitality	Accounts receivable due from related parties	Yes	1,260,000	-	-	-%	2	-	Operation requirements	-	None	-	4,521,789	6,029,052
1	Suzhou CMS	CMH	Accounts receivable due from related parties	Yes	457,000	450,000	450,000	2.11%~2.43%	2	-	Operation requirements	-	None	-	1,394,076	1,858,768
2	CMAI	Pilot	Accounts receivable due from related parties	Yes	36,531	25,144	25,144	4.00%	2	-	Operation requirements	-	Land, buildings and improvement	66,452	63,532	84,710
3	CMW (C.I.)	CMI	Accounts receivable due from related parties	Yes	457,000	450,000	450,000	2.50%	2	-	Operation requirements	-	None	-	1,927,176	2,569,569
4	CMW (Tianjin)	CMH	Accounts receivable due from related parties	Yes	868,300	810,000	810,000	2.11%~2.41%	2	-	Operation requirements	-	None	-	1,872,895	2,497,193

Note 1: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

Note 2: 1. For business transactions.

2. For the necessity of short-term financing.

Note 3: The lender's total amount available for lending shall not exceed 30% of its net worth.

Note 4: The lender's total amount available for lending shall not exceed 40% of its net worth.

(ii) Guarantees and endorsements for other parties:

(In Thousands of NTD)

No.	Name of Guarantor/ Endorse	Counter-party of Guarantee and Endorsement		Limitation on Amount of Guarantees and Endorsements for a Specific Enterprise (Note 4)	Highest Balance for Guarantees and Endorsements During the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amount for Guarantees and Endorsements (Note 5)	Parent Company Endorsements/ Guarantees to Third Parties on Behalf of Subsidiary (Note 3)	Subsidiary Endorsements/ Guarantees to Third Parties on Behalf of Parent Company (Note 3)	Endorsements/ Guarantees to Third Parties on Behalf of Companies in Mainland China (Note 3)
		Name	Relationship with the Company (Note 1)										
0	The Company	Sunflower Investment	1	6,029,052	270,000	160,000	72,000	-	1.06 %	7,536,316	Y	N	N
0	The Company	The Hotel National	1	6,029,052	50,000	50,000	-	-	0.33 %	7,536,316	Y	N	N
0	The Company	Shangrila Tourism	1	6,029,052	774,000	724,000	432,000	-	4.80 %	7,536,316	Y	N	N
0	The Company	The Splendor Hospitality	2	6,029,052	1,950,000	1,750,000	1,425,000	-	11.61 %	7,536,316	N	N	N
0	The Company	CMAAN Health	2	6,029,052	20,000	10,000	-	-	0.07 %	7,536,316	N	N	N
0	The Company	Taichung CMP Hospitality	1	6,029,052	1,460,000	1,460,000	729,000	-	9.69 %	7,536,316	Y	N	N
1	CMW (Tianjin)	CMH	4	2,497,193	137,100	-	-	-	- %	3,121,492	N	N	Y

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

Note 1: 1.The Company held directly or indirectly more than 50% of the shares with voting rights.
2.Due to the joint investment relationship, all of the shareholders of the Group endorse the company in accordance with their investment ratio.
3.The company held directly or indirectly more than 50% of the shares with voting rights.
4.The company held directly or indirectly more than 90% of the shares with voting rights.

Note 2: Balance of guarantees and endorsements as of the reporting date was within the credit limit approved by the Board of Directors.

Note 3: The following three situations are filled in Y: the endorsement of the subsidiary by the Company; the endorsement of the Company by the subsidiary and the endorsement to the company located in Mainland China.

Note 4: The guarantor's total amount available for guarantee and endorsement shall not exceed the percentage mentioned below of its net worth: The Company 40% and CMW (Tianjin) 40%.

Note 5: The guarantor's total amount available for guarantee and endorsement shall not exceed the percentage mentioned below of its net worth: The Company 50% and CMW (Tianjin) 50%.

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

(In Thousands of NTD)

Name of Holder	Category and Name of Security	Relationship with Issued Company	Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	MEITA Industrial Co., Ltd.	The Company is the legal person	Non-current financial assets at FVOCI	1,351,164	78,985	3.12 %	78,985	
The Company	GUANGYUAN Investment Co., Ltd.	-	Non-current financial assets at FVOCI	2,343,750	26,698	3.91 %	26,698	
The Company	DEVELOPMENT Venture Capital Co., Ltd.	-	Non-current financial assets at FVOCI	3,260,000	12,839	4.00 %	12,839	
The Company	Pacific Electric Wire & Cable Co., Ltd.	-	Current financial assets at FVTPL	81,666	-	0.01 %	-	
Sunflower Investment	Fantasystory Inc.	-	Non-current financial assets at FVOCI	415,883	-	19.80 %	-	
Sunflower Investment	il. COM, INC.	-	Non-current financial assets at FVOCI	100,000	-	0.52 %	-	
Sunflower Investment	Longmen I L.P.	-	Non-current financial assets at FVOCI	-	5,702	4.73 %	5,702	
Sunflower Investment	Asia World Engineering & Construction Co., Ltd.	-	Non-current financial assets at FVOCI	6,429,563	60,126	6.43 %	60,126	
Sunflower Investment	Masada Technology Limited Co., Ltd.	-	Non-current financial assets at FVOCI	2,922,600	13,531	2.24 %	13,531	
The Hotel National	Century National Technology Co., Ltd.	-	Non-current financial assets at FVOCI	35,600	-	2.34 %	-	
Atrans Precision	Acore Material Technology Co., Ltd.	-	Non-current financial assets at FVOCI	42,466	-	2.12 %	-	

(iv) Information regarding related-party transactions for purchases and sales exceeding NT$100 million or 20% of the share capital:

(In Thousands of NTD)

Name of Company	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage of Total Purchases/Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Accounts Receivable (Payable)	
Suzhou CMS	CMI	Subsidiaries	Sale	685,366	31.12 %	180 days	-	-	1,052,027	61.00%	
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Sale	1,565,928	43.60 %	180 days	-	-	1,943,709	69.19%	
Suzhou CMB	CMI	Subsidiaries	Sale	300,985	18.08 %	180 days	-	-	261,558	33.36%	
Suzhou CMB	CMB (H.K.)	Subsidiaries	Sale	110,690	6.65 %	180 days	-	-	77,600	9.90%	
PUZHI Construction	PUJEN Land Development	Subsidiaries	Sale	233,456 (Note 1)	83.33 %	30 days	-	-	47,235	97.40%	

Note1: The amount represents revenue from valuation and other service fees for the current period.

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

(In Thousands of NTD/In CNY)

Name of Company	Counter-party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Accounts receivable due from related parties 1,943,709	0.80	-	-	CNY 40,795,440	-
Tianjin CMT	CMI	Subsidiaries	Accounts receivable due from related parties 298,560	-	-	-	-	-
Suzhou CMB	CMI	Subsidiaries	Accounts receivable due from related parties 261,558	1.28	-	-	-	-
Suzhou CMS	CMI	Subsidiaries	Accounts receivable due from related parties 1,052,027	0.61	-	-	-	-
CMW (Tianjin)	CMH	Affiliates	Accounts receivable due from related parties, other 810,000	Note	-	-	-	-
CMW (C.I.)	CMI	Subsidiaries	Accounts receivable due from related parties, other 450,845	Note	-	-	-	-
Suzhou CMS	CMH	Affiliates	Accounts receivable due from related parties, other 450,000	Note	-	-	-	-

Note:Balance of loans to other parties.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of NTD/In USD, CNY, THB, and JPY)

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	UEA	British Virgin Islands	Investing in CMI	865,286	865,286	667,820	100.00 %	8,252,186	467,803	466,736	Subsidiaries
The Company	Sunflower Investment	Taiwan	Investing	99,096	99,096	67,013,057	99.01 %	1,110,259	148,730	147,258	Subsidiaries
The Company	Atrans Precision	Taiwan	Vehicle parts processing	247,218	247,218	25,782,134	72.24 %	431,664	37,223	27,489	Subsidiaries
The Company	CMJ	Japan	Cast iron product retailing	4,887	4,887	500	83.33 %	144,577	26,491	22,075	Subsidiaries
The Company	CMAI	Hong Kong	Vehicle parts retailing	24,036	24,036	1,000,000	100.00 %	211,776	30,242	30,242	Subsidiaries
The Company	PUJEN Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	2,003,067	2,003,067	165,232,748	56.65 %	4,859,792	759,263	423,289	Subsidiaries
The Company	Amida Trustlink Assets	Taiwan	Real estate developing, leasing and financial claims acquiring from financial institutions	44,576	44,576	16,763,726	35.21 %	-	-	-	Investees accounted for using equity method
The Company	The Hotel National	Taiwan	International tourist hotel services	1,515,952	1,515,952	5,000,000	100.00 %	1,395,555	10,313	8,422	Subsidiaries
The Company	CMP Lifestyle Hospitality	Taiwan	Management and consulting services	10,000	10,000	1,000,000	100.00 %	48,227	19,226	19,226	Subsidiaries
The Company	The Splendor Hospitality	Taiwan	International tourist hotel services	1,125,000	1,125,000	32,500,000	50.00 %	217,428	(73,469)	(48,213)	Joint ventures accounted for using equity method
The Company	Shangrila Tourism	Taiwan	Amusement park and hotel services	564,303	564,303	22,664,800	55.74 %	238,096	(84,503)	(49,642)	Subsidiaries
The Company	CMAAN Health	Taiwan	Management and consulting services	50,000	50,000	5,000,000	50.00 %	48,367	518	187	Joint ventures accounted for using equity method
The Company	Taichung CMP Hospitality	Taiwan	International tourist hotel services	1,237,800	1,198,800	123,780,000	100.00 %	772,169	(196,118)	(190,201)	Subsidiaries
The Company	Calligraphy Greenway Plaza	Taiwan	Management and consulting services	59,000	59,000	5,900,000	100.00 %	65,232	4,063	4,063	Subsidiaries
The Company	Great Naturalistic Block	Taiwan	Management and consulting, department store retailing services	50,000	50,000	5,000,000	100.00 %	35,229	(3,541)	(3,541)	Subsidiaries
The Company	CMP Intelligence Technology	Taiwan	Intelligence manufacturing services	10,000	7,000	1,000,000	100.00 %	8,135	(1,357)	(1,581)	Subsidiaries
Sunflower Investment	PUJEN Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	288,437	288,437	44,271,032	15.18 %	1,267,246	759,263	Exempt from disclosure	Subsidiaries of the Company
Sunflower Investment	Astrans Precision	Taiwan	Vehicle parts processing	77,903	77,836	4,741,489	13.29 %	78,536	37,223	Exempt from disclosure	Subsidiaries of the Company
Sunflower Investment	Amida Trustlink Assets	Taiwan	Real estate developing, leasing and financial claims acquiring from financial institutions	-	-	5,951,619	12.50 %	-	-	Exempt from disclosure	Investees accounted for using equity method
Sunflower investment	ADVANCISION (CAYMAN)	Cayman Islands	Investing and cast iron product retailing	23,457	23,457	1,871,288	4.46 %	2,126	301,526	Exempt from disclosure	Investees accounted for using equity method
UEA	CMI	Cayman Islands	Investing in CMI (BVI) and cast iron product retailing	USD 136,536,250	USD 136,536,250	823,281,475	83.27 %	USD 261,899,873	USD 18,026,125	Exempt from disclosure	Subsidiaries of UEA
CMI	CMI (BVI)	British Virgin Islands	Investing in CMP (H.K.)	USD 280,426	USD 280,426	161	100.00 %	CNY 1,196,991,714	CNY 66,288,800	Exempt from disclosure	Subsidiaries of CMI
CMI	CMW (C.I.)	Cayman Islands	Investing in CMW (Tianjin) and CMH	USD 75,156,500	USD 75,156,500	50,000,000	100.00 %	CNY 1,480,788,251	CNY 45,881,768	Exempt from disclosure	Subsidiaries of CMI
CMI	CMB (H.K.)	Hong Kong	Investing in Suzhou CMB	USD 77,970,000	USD 92,970,000	125,693,596	100.00 %	CNY 619,455,985	CNY 21,513,182	Exempt from disclosure	Subsidiaries of CMI
CMI(BVI)	CMP (H.K.)	Hong Kong	Investing in Tianjin CMT and Suzhou CMS	USD 21,000,000	USD 21,000,000	21,000,000	100.00 %	CNY 1,427,813,154	CNY 66,288,800	Exempt from disclosure	Subsidiaries of CMI(BVI)

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
CMAI	CMAI Holding	USA	Investing	USD 8,376,644	USD 8,364,644	10,000	100.00 %	USD 2,883,069	USD 133,019	Exempt from disclosure	Subsidiaries of CMAI
CMAI Holding	Pilot	USA	Assets leasing	USD 8,328,644	USD 8,328,644	-	100.00 %	USD 2,868,218	USD 139,824	Exempt from disclosure	Subsidiaries of CMAI Holding
CMAI Holding	CMAI-MEX	Mexico	Investing	USD 47,520	USD 35,640	47,520	100.00 %	USD 14,702	USD (6,737)	Exempt from disclosure	Subsidiaries of CMAI Holding
CMAI Holding and CMAI-MEX	MEXICO CMI-CMAI	Mexico	Vehicle parts retailing	USD 48,000	USD 36,000	48,000	100.00 %	USD 14,850	USD (6,805)	Exempt from disclosure	Subsidiaries of CMAI Holding and CMAI-MEX
Pilot	CMAI N.A.	USA	Vehicle parts retailing	USD 7,792,972	USD 7,792,972	10,000	100.00 %	USD 1,474,856	USD (10,898)	Exempt from disclosure	Subsidiaries of Pilot
Atrans Precision	FAR HSING (SAMOA)	SAMOA	Investing	USD 2,055	USD 1,272,055	2,055	100.00 %	(15,460)	65,266	Exempt from disclosure	Subsidiaries of Atrans Precision
FAR HSING (SAMOA)	ADVANCISION (CAYMAN) Industries Co., Ltd	Cayman Islands	Investing and cast iron product retailing	USD 4,052,188	USD 4,052,188	9,068,414	21.59 %	USD (512,147)	USD 9,662,903	Exempt from disclosure	Investees of FAR HSING (SAMOA) accounted for using equity method
CMJ	SIAM SST	Thailand	Cast iron product retailing	THB 31,300,000	THB 3,000,000	312,998	99.99 %	JPY 146,361,453	JPY 2,858,636	Exempt from disclosure	Subsidiaries of CMJ
PUJEN Land Development	Keng-Hsin Urban Renewal	Taiwan	Residents, commercial buildings and factories leasing and developing	374,756	300,800	48,416,511	31.30 %	436,847	(89,986)	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method
PUJEN Land Development	CHINGGENG Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	1,500	1,500	150,000	50.00 %	5,311	(18)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUJEN CHENGMEI Land Development Co., Ltd.	Taiwan	Residents, commercial buildings and factories leasing and developing	269,500	199,500	26,950,000	70.00 %	198,953	1,050	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUZHI Construction	Taiwan	Residents, commercial buildings and factories leasing and developing	134,800	134,800	122,500	100.00 %	112,388	9,020	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	Hua-Pu Development	Taiwan	Residents, commercial buildings and factories leasing and developing	5,000	5,000	500,000	50.00 %	5,154	30	Exempt from disclosure	Joint ventures of PUJEN Land Development accounted for using equity method
PUJEN Land Development	Beyond Fitness	Taiwan	Sport training and other consulting service	4,050	4,050	494,333	27.51 %	5,196	4,108	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method
The Hotel National	Shangrila Tourism	Taiwan	Amusement park and hotel services	180,000	-	18,000,000	44.26 %	189,058	(84,503)	Exempt from disclosure	Joint ventures of PUJEN Land Development accounted for using equity method

(c) Information on investment in mainland China:

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

(In Thousands of NTD, CNY, USD and JPY)

Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses) (Notes 2&3)	Book Value (Note 3)	Accumulated Remittance of Earnings in Current Period (Note 5)	Note
					Outflow	Inflow							
Tianjin CMT	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	314,300 (USD10,000)	2	388,238	-	-	388,238	(10) (CNY(2,309))	83.27%	(8,327) (CNY(1,923))	463,670 (CNY103,038)	82,542	Note 2
Suzhou CMS	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	125,720 (USD4,000) (Note 7)	2	423,406	-	-	423,406	291,236 (CNY67,260)	83.27%	242,404 (CNY55,982)	4,647,143 (CNY1,032,698)	14,601	Note 2
Suzhou CMB	Cast iron product designing, manufacturing and retailing	2,105,810 (USD67,000) (Note 6)	2	-	-	-	-	86,966 (CNY20,084)	83.27%	72,416 (CNY16,724)	2,322,309 (CNY516,069)	-	Note 2
CMW (Tianjin)	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	1,005,760 (USD32,000)	2	-	-	-	-	257,138 (CNY59,385)	83.27%	215,471 (CNY49,762)	6,234,656 (CNY1,385,479)	-	Note 2
CMH	Vehicle parts, farm wagon parts, industrial wagon parts household appliances parts and E&M as-casting and molds developing, manufacturing, selling and after sales services	1,320,060 (USD42,000) (Note 8)	2	-	-	-	-	(159,293) (CNY(36,788))	83.27%	(132,643) (CNY(30,633))	707,043 (CNY157,121)	-	Note 2

(Continued)

CHINA METAL PRODUCTS CO., LTD.
Notes to the Financial Statements

Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses) (Notes 2&3)	Book Value (Note 3)	Accumulated Remittance of Earnings in Current Period (Note 5)	Note
					Outflow	Inflow							
Qingdao Sourcing Specialists	Cast iron product retailing	3,143 (USD100)	2	-	-	-	-	4,062 (JPY19,481)	83.33%	3,385 (JPY16,233)	47,908 (JPY238,584)	-	-

(ii) Limitation on investment in Mainland China:

(In Thousands of NTD and USD)

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA (Note 9)	Upper Limit on Investment (Note 4)
811,644	6,556,958 (USD 208,621)	-

Note 1: Method of investment is classified into three types:

1. Directly invested in Mainland China.

2. Indirectly invested in Mainland China through the third region.

3. Other methods.

Note 2: The recognition basis of the investment income and losses is the financial report audited by an international accounting firm which is in partnership with the accounting firm in the R.O.C.

Note 3: The amount stated is the investment income and losses and the book value of the investment at the end of the period which is recognized by the subsidiaries established through the investment in the third region.

Note 4: The Company complies with the amended Permit 9704604680 ‘ Investment or technical cooperation review principal in China’, which obtained the certified documents of the operational scope of the headquarters from the Industrial Development Bureau, Ministry of Economic Affairs, with the valid period from March 3, 2023 to March 1, 2026. The restriction on the cumulative investment amount or proportion in China is not applicable.

Note 5: As of December 31, 2025, the company had obtained a surplus of $3,727,802 thousand (USD$123,075 thousand) from the investment companies set up in the third region. The surplus was remitted to the companies by the subsidiaries which was invested indirectly in China and then was remitted to Taiwan. It was impossible to distinguish the remittance from the company in China.

Note 6: The Company's share capital was reduced by USD $15,000 thousand, with the approval of the board on March 25, 2025. All relevant legal procedures had been completed in May 2025. Moreover, the said amount had been remitted to the holding company, CMB (H.K.), in June 2025, and subsequently, to the parent company, CMI, thereafter.

Note 7: The Company's share capital was reduced by USD $8,000 thousand, with the approval of the board on August 15, 2025. All relevant legal procedures had been completed in October 2025. Moreover, the said amount had been remitted to the holding company, CMP (H.K.), in November 2025, and subsequently, to the parent company, CMI, thereafter.

Note 8: On July 10, 2025, the holding company CMW (C.I.) resolved in its board meeting to make a cash capital injection of USD $10,000 thousand into CMH. All relevant legal procedures had been completed in October 2025

Note 9: The amount in the table is translated by the spot rate on the financial reporting date.

(iii) Significant transactions: None.

(14) Segment information：

The segment information please refer to the consolidated financial statement for the year ended December 31, 2025.

(Continued)

CHINA METAL PRODUCTS CO., LTD.

Statement of Cash and Cash Equivalents

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description		Amount
Cash on hand			$ 1,380
Cash in transit			2,159
Cash in banks	Checking accounts deposits		1,173
	Demand deposits		413,436
	Foreign currency deposits	USD109 thousand	3,439
		EUR263 thousand	9,721
		JPY3,573 thousand	717
		HKD1 thousand	3
		CNY105,700 thousand	475,651
		THB4 thousand	4
			$ 907,683

Statement of Inventories

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$ 5,972	4,247	NRV
Materials	9,522	6,987	〃
Work in process	19,263	19,263	〃
Semi-finished goods	18,820	14,120	〃
Finished goods (including inventories in transit)	24,435	18,819	〃
Merchandise	5,416	5,416	〃
Less: Allowance for inventory write-down	(14,576)	-	
Total	**$ 68,852**	**68,852**	

CHINA METAL PRODUCTS CO., LTD.

Statement of Changes in Investments Accounted for Using the Equity Method

December 31, 2025

(In Thousands of New Taiwan Dollars)

Name of Investee	Beginning Balance		Addition		Deduction		Share of Profit (Loss) of Investments Accounted for Using Equity Method	Exchange Difference on Translation of Foreign Financial Statements	Share of Other Comprehensive Income of Subsidiaries, Associates and Joint Ventures	Other (Note 3)	Ending Balance			Market Value or Net Assets Value		Collateral
	Shares	Amount	Shares	Amount (Note 1)	Shares	Amount (Note 2)					Shares	Percentage of Ownership	Amount	Unit price	Total amount	
Long-term investments																
Accounted for using equity method:																
United Elite Agents Limited	667,820	$ 8,212,816	-	-	-	471,718	466,736	44,352	-	-	667,820	100.00	8,252,186	12,327.18	8,232,336	None
Sunflower Investment Co., Ltd.	67,013,057	1,026,350	-	-	-	67,013	147,258	(1,025)	4,689	-	67,013,057	99.01	1,110,259	16.57	1,110,259	〃
Atrans Precision Industries Co., Ltd.	25,782,134	413,327	-	-	-	12,891	27,489	1,680	2,059	-	25,782,134	72.24	431,664	16.56	426,922	〃
CMJ Co., Ltd.	500	124,422	-	-	-	-	22,075	(1,920)	-	-	500	83.33	144,577	289,154.61	144,577	〃
Amida Trustlink Assets Management Co., Ltd.	16,763,726	(21,760)	-	-	16,763,726	(21,760)	-	-	-	-	-	35.21	-	-	-	〃
CMAI CO., LIMITED.	1,000,000	221,889	-	-	-	32,750	30,242	(7,605)	-	-	1,000,000	100.00	211,776	211.78	211,776	〃
PUJEN Land Development Co.,Ltd.	158,877,643	4,685,968	6,355,105	-	-	254,204	423,289	-	4,739	-	165,232,748	56.65	4,859,792	28.82	4,762,072	Note 4
The Hotel National Co., Ltd.	5,000,000	1,499,911	-	-	-	150,115	8,422	-	21,643	15,694	5,000,000	100.00	1,395,555	32.16	160,794	Note 5
The Splendor Hospitality International Co., Ltd.	32,500,000	264,541	-	1,100	-	-	(48,213)	-	-	-	32,500,000	50.00	217,428	5.75	186,863	None
CMP Lifestyle Hospitality Co., Ltd.	1,000,000	29,001	-	-	-	-	19,226	-	-	-	1,000,000	100.00	48,227	47.67	47,674	〃
Shangrila Tourism Co., Ltd.	22,664,800	309,381	-	-	-	-	(49,642)	-	(21,643)	-	22,664,800	55.74	238,096	3.67	83,098	〃
CMAAN Health Co., Ltd.	5,000,000	48,107	-	73	-	-	187	-	-	-	5,000,000	50.00	48,367	9.67	48,367	〃
Taichung CMP Hospitality Management Consulting Co., Ltd.	119,880,000	923,370	3,900,000	39,000	-	-	(190,201)	-	-	-	123,780,000	100.00	772,169	5.95	736,073	〃
Calligraphy Greenway Plaza Co., Ltd.	5,900,000	67,145	-	-	-	5,976	4,063	-	-	-	5,900,000	100.00	65,232	11.06	65,231	〃
Great Naturalistic Block Co., Ltd.	5,000,000	38,770	-	-	-	-	(3,541)	-	-	-	5,000,000	100.00	35,229	7.05	35,229	〃
CMP Intelligence Technology Co., Ltd.	700,000	6,948	300,000	3,000	-	-	(1,581)	-	(232)	-	1,000,000	100.00	8,135	8.57	8,568	〃
Total		**$ 17,850,186**		**43,173**		**972,907**	**855,809**	**35,482**	**11,255**	**15,694**			**17,838,692**			

Note 1: The increasing amounts of this period are the additional guarantee provision amounted to $1,173 thousand, capital increase by cash amounted to $42,000 thousand.

Note 2: The decreasing amounts of this period are the cash dividend amounted to $994,667 thousand. Amida Trustlink Assets Management Co., Ltd. had completed its liquidation registration procedures on July 4, 2025.

Note 3: Deferred credits recognized as other income.

Note 4: 76,180,771 shares of the Company were pledged as collateral for obtaining credit limits.

Note 5: 5,000,000 shares of the Company were pledged as collateral for obtaining credit limits.

CHINA METAL PRODUCTS CO., LTD.

Statement of changes in Property, Plant and Equipment

For the Year Ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Please refer to Note 6(g), for the regarding information.

Statement of changes in Right-of-use Assets

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Please refer to Note 6(h), for the regarding information.

Statement of changes in Investment Property

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Please refer to Note 6(i), for the regarding information.

CHINA METAL PRODUCTS CO., LTD.

Statement of Short-term Borrowings

December 31, 2025

(In Thousands of New Taiwan Dollars)

Loan Type	Lender	Amount	Financing Period	Interest Rates	Mortgage Guarantee	Note
Unsecured	Taishin Bank	$ 630,000	2025.08.12~2026.08.12	2.16%	-	
Unsecured	Taishin Bank	100,000	2025.10.31~2026.10.31	2.10%	-	
Unsecured	Taishin Bank	400,000	2025.10.31~2026.10.31	2.10%	-	
Unsecured	Shin Kong Bank	300,000	2025.02.10~2026.02.10	2.05%	-	
Unsecured	Taiwan Cooperative Bank	100,000	2025.12.31~2026.12.31	2.04%	-	
Unsecured	Panhsin Bank	1,000	2025.11.07~2026.11.07	2.60%	-	
Unsecured	The Export-Import Bank	200,000	2025.02.17~2026.02.17	0.99%	-	
Unsecured	Taipei Fubon Bank	330,000	2025.04.06~2026.04.06	2.01%	-	
Secured	Chang Hwa Bank	200,000	2025.10.31~2026.03.31	1.88%	The land and buildings in Hsinchu	
Secured	Bank Sinopac	600,000	2025.01.31~2026.01.31	2.08%	Shares of PUJEN Land Development	
		$ 2,861,000				

Statement of Short-term Bills Payable

Item	Guarantee or Acceptance Institution	Financing Period	Interest Rates	Amount			Note
				Total Amount	Unamortized Discount	Carrying Amount	
Short-term Bills Payable	International Bills	2026.01.02	2.058%	$ 100,000	(6)	99,994	
〃	Grand Bills	2026.01.13	2.028%	150,000	(100)	149,900	
〃	Mega Bills	2026.01.13	2.048%	100,000	(67)	99,933	
〃	China Bills	2025.02.02	2.068%	150,000	(272)	149,728	
〃	Dah Chung Bills	2026.02.10	2.048%	150,000	(337)	149,663	
〃	Taiwan Bills	2026.02.10	2.058%	100,000	(226)	99,774	
〃	Taiwan Cooperative Bills	2026.02.10	2.038%	100,000	(223)	99,777	
				$ 850,000	**(1,231)**	**848,769**	

CHINA METAL PRODUCTS CO., LTD.

Statement of Long-term Borrowings

December 31, 2025

(In Thousands of New Taiwan Dollars)

Creditor	Description	Financing Period	Interest Rates	Amount Due within one year	Amount Due over one year	Collateral
Cathay United Bank	Unsecured Borrowings	2025.12.30~2027.12.30	2.02 %	$ -	200,000	-
Bank SinoPac	Secured Borrowings	2025.01.31~2028.01.31	2.08 %	-	1,000,000	Note 1, 2 and 3
Bank of East Aisa	Unsecured Borrowings	2025.12.20~2027.12.20	2.10 %	-	200,000	-
Shin Kong Bank	Secured Borrowings	2025.02.10~2028.02.10	2.10 %	-	200,000	Note 1
Mega Bank	Secured Borrowings	2025.07.27~2027.07.26	2.00 %	-	300,000	Note 2
En Tie Commercial Bank	Unsecured Borrowings	2025.10.31~2027.10.31	2.09 %	-	100,000	-
En Tie Commercial Bank	Unsecured Borrowings	2025.10.31~2027.10.31	2.09 %	-	50,000	-
Land Bank of Taiwan	Unsecured Borrowings	2025.04.21~2027.04.21	1.88 %	-	150,000	-
Yuanta Bank	Unsecured Borrowings	2025.12.18~2027.12.28	2.07 %	-	300,000	-
KGI Bank	Unsecured Borrowings	2025.04.11~2027.04.11	2.10 %	-	300,000	-
CTBC Bank	Secured Borrowings	2025.08.31~2027.08.31	2.10 %	-	600,000	Note 1
CTBC Bank	Unsecured Borrowings	2025.08.31~2027.08.31	2.09 %	-	100,000	-
Bank SinoPac	Loan Loan	2025.04.02~2030.04.02	2.84 %	-	1,463,289	Note 4
Bank SinoPac	Syndicated Loan	2024.10.15~2029.10.15	2.46 %	-	1,829,800	Note 1
Less: Issuance Cost				-	(12,366)	
				$ -	**6,780,723**	

Note 1: The collateral is the shares of long-term investments accounted for using equity method.

Note 2: The collateral is the land and buildings in Taipei.

Note 3: The collateral is the land and buildings in Hsinchu.

Note 4: The collateral is the land in Taichung.

CHINA METAL PRODUCTS CO., LTD.

Statement of Operating Revenue

For the Year Ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount
Manufacturing:	
Cast iron products	$ 501,365
Department Store:	
Rental revenue	42,068
Counter commissions	409,844
Subtotal	451,912
Other operating revenue	36,124
Net operating revenue	**$ 989,401**

Note: The above amount had been deducted the allowance of sales return and discount amounted to $14,457 thousand.

CHINA METAL PRODUCTS CO., LTD.

Statement of Operating Costs

For the Year Ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount
Raw Material	
Balance on January 1	$ 5,398
Add: Purchases	79,537
Gain on physical inventory count of raw material	35
Less: Balance on December 31	(5,972)
Transfer to expenses	(260)
Raw material used in this period	78,738
Material	
Balance on January 1	9,034
Add: Purchases	81,085
Gain on physical inventory count of material	3
Less: Balance on December 31	(9,522)
Transfer to expenses	(27,501)
Material used in this period	53,099
Direct labor	63,378
Manufacturing overhead	316,082
Manufacturing costs	511,297
Add: Balance of work in process on January 1	20,879
Less: Balance of work in process on December 31	(19,263)
Add: Balance of semi-finished goods on January 1	19,148
Purchases	987
Gain on physical inventory count of semi-finished goods	286
Less: Balance of semi-finished goods on December 31	(18,820)
Transfer to expenses	(6,703)
Cost of finished goods	507,811
Add: Balance of finished goods on January 1	28,313
Less: Loss on physical inventory count of finished goods	(72)
Balance of finished goods on December 31	(24,435)
Transfer to expenses	(8,357)
Cost of goods sold－Finished goods	503,260
Balance of merchandise on January 1	6,589
Add: Purchases	8,405
Less: Balance of merchandise on December 31	(5,416)
Transfer to expenses	(450)
Transfer to other prepayments	(3,427)
Cost of goods sold－Merchandise	5,701
Add: Idle capability	71,254
Gain on physical inventory count	(252)
Gain from reversal of write-down	(548)
Others	2,810
Less: Income from sale of scraps and others	(905)
Operating costs	**$ 581,320**

CHINA METAL PRODUCTS CO., LTD.

Statement of Operating Expenses

For the Year Ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Research and Development Expenses
Salary expense	$ 8,668	161,632	-
Freight charges	3,828	84	-
Export expense	8,869	-	-
Administrating expense	-	175,670	-
Depreciation	220	322,427	-
Advertisement Fee	-	42,094	-
Sample Fee	1,852	-	-
Other (Each of the items was less than 5% of the total account balance)	2,335	127,032	800
	$ 25,772	**828,939**	**800**

Statement of the net amount of other revenues and gains and expenses and losses

For the year ended December 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

Please refer to Note 6(x), for the regarding information.