Stock Code:1532

CHINA METAL PRODUCTS CO., LTD.
AND SUBSIDIARIES

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

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Representation Letter

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

Company name: China Metal Products Co., Ltd.
Chairman: Ting Fung, Lin
Date: March 12, 2026.

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Independent Auditors' Report

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated balance sheets of CMP Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated 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 and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 consolidated financial statements for the year ended December 31, 2025 of CMP Group. Those matters have been addressed in our audit opinion on the said consolidated 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 revenue recognition account policy of the metal manufacturing segment, please refer to Note 4(q); for the details of the revenue recognition during the years, please refer to Note 6(w).

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Description of key audit matter:

CMP Group's manufacturing segment mainly produces automotive and industrial products. The revenue recognition of CMP Group's metal manufacturing product selling is the timing of the transfer of control varied by the individual terms of the sales agreement, which is mainly at the time when the goods are loading to the export ship and to the determined shipping point. The recognition of revenue is also varied by the terms of acceptance and return of goods in the sale contracts between CMP Group and the clients who are large vehicle parts suppliers and manufacturers. CMP Group evaluates the terms of the sale contracts individually to determine the timing of revenue recognition. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. Therefore, the revenue recognition is considered as one of the key audit matters.

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; 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 (i.e. delivery order signed by the recipient, bill of lading, documents from the warehouse custodian) to evaluate the appropriateness timing of revenue recognition; comparing the actual sales return and discount after the financial reporting date with the estimated allowance for sales return and discount on the financial reporting date and the previous financial reporting period to evaluate the reasonableness of the estimation; evaluating whether the recognition period of inventory and cost of goods sold is appropriate; performing inventory observation and checking the inventory quantity with the records.

2. Allowance for accounts receivable

For the estimation of allowance for bad debt accounting policy, please refer to Note 4(g); for the significant assumptions and judgments, and major sources of estimation uncertainty of the loss allowance of accounts receivable, please refer to Note 5; for the details of the loss allowance of accounts receivable during the years, please refer to Note 6(c).

Description of key audit matter:

The loss allowance of accounts receivable for CMP Group is based on the management's judgments of the estimation of the expected credit loss which comprised of the credit reliability of the customers, the current market, forward-looking estimation and customer-specific terms. The estimation involves subjective judgment. The balance of accounts receivable is significant and the current economic and environment risk increase the risk of recovering. Therefore, the estimation of accounts receivable loss allowance is considered as one of the key audit matters.

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 management's credit control of customers, recovery of the receivables and the estimations of allowance for receivables; evaluating the appropriateness of the accounting policies regarding the allowance for receivables, sampling sales invoices and comparing them with other transaction documents to check the accuracy of receivable aging; understanding and recalculating the rolling rates of overdue accounts receivable and expected loss rates to evaluate whether the management estimation of the loss allowance is considered the customers' industry status, the receivables overdue status, forward-looking estimation and payment records; sampling the receivables for cash collecting after the balance sheet date.

3. Litigation provision assessment

   For the accounting policy of litigation provision assessment, please refer to the Note 4(p) Provisions; for the accounting estimate and uncertain hypothesis, please refer to Note 5; for the details of estimated litigation, please refer to Note 6(q).

   Description of key audit matter:

   Sunflower Investment Co., Ltd. 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, CMP Group 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 CMP Group. 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 CMP Group’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 CMP Group’s pending litigation cases and contingent liabilities have been properly disclosed.

Other Matter

China Metal Products Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated 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 (z))	$ 5,957,616	11	6,030,407	12
1141	Current contract assets (Note 6(w))	-	-	1,397	-
1170	Notes and accounts receivable, net (Notes 6(c), (w) and (z))	3,145,888	6	3,070,211	6
1180	Accounts receivable due from related parties, net (Notes 6(w), (z) and 7)	148	-	1,655	-
1200	Other receivables (Note 6(z))	187,383	-	128,706	-
1210	Other receivables due from related parties (Notes 6(z) and 7)	3,533	-	4,360	-
130X	Inventories (Notes 6(d), 8 and 9(a))	19,831,625	37	19,993,664	38
1410	Prepayments (Note 9(a))	273,838	1	198,083	-
1476	Other current financial assets (Notes 6(a), (k), (z), 8 and 9(a))	4,311,919	8	3,101,073	6
1479	Other current assets, others	505,566	1	574,044	1
1480	Incremental costs of obtaining contracts	882,238	2	531,332	1
	Total current assets	35,099,754	66	33,634,932	64
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b) and (z))	197,881	-	216,256	-
1550	Investments accounted for using equity method (Notes 6(e) and (f))	715,118	1	721,466	1
1600	Property, plant and equipment (Notes 6(g), 8 and 9(a))	13,677,422	26	14,178,054	27
1755	Right-of-use assets (Notes 6(h) and 9(a))	1,210,843	2	1,490,950	3
1760	Investment property, net (Notes 6(i) and 8)	746,675	1	880,419	2
1780	Intangible assets (Note 6(j))	445,686	1	457,063	1
1840	Deferred tax assets (Note 6(t))	101,357	-	120,167	-
1975	Non-current net defined benefit assets (Note 6(s))	6,127	-	2,896	-
1980	Other non-current financial assets (Notes 6(a), (k), (z), 7, 8 and 9(a))	959,707	2	929,901	2
1990	Other non-current assets, others (Notes 6(e), (l), 8 and 9(a))	278,896	1	212,973	-
	Total non-current assets	18,339,712	34	19,210,145	36
	Total assets	**$ 53,439,466**	**100**	**52,845,077**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes 6(m) and (z))	$ 12,908,541	24	13,105,678	25
2130	Current contract liabilities (Notes 6(w), 7 and 9(a))	4,981,693	9	3,803,824	7
2170	Notes and accounts payable (Note 6(z))	3,344,092	6	3,299,954	6
2180	Notes and accounts payable due to related parties (Note 6(z))	5,026	-	22,704	-
2200	Other payables (Notes 6(z) and 7)	1,233,579	3	1,806,682	4
2220	Other payables due to related parties (Note 6(z))	1,610	-	2,302	-
2230	Current income tax liabilities	201,238	-	58,259	-
2280	Current lease liabilities (Notes 6(p) and (z))	194,612	-	205,829	-
2321	Bonds payable, current portion (Notes 6(o) and (z))	-	-	259,400	1
2322	Long-term borrowings, current portion (Notes 6(n) and (z))	1,746,271	4	1,126,493	2
2399	Other current liabilities	93,641	-	106,586	-
	Total current liabilities	24,710,303	46	23,797,711	45
	Non-current liabilities:				
2540	Long-term borrowings (Notes 6(n) and (z))	7,786,609	15	7,637,096	14
2570	Deferred tax liabilities (Note 6(t))	469,088	1	524,545	1
2580	Non-current lease liabilities (Notes 6(p) and (z))	806,195	1	1,105,246	2
2640	Non-current net defined benefit liabilities (Note 6(s))	30,174	-	29,112	-
2670	Other non-current liabilities, others (Notes 6(e), (q), (z) and 7)	352,296	1	334,796	1
	Total non-current liabilities	9,444,362	18	9,630,795	18
	Total liabilities	34,154,665	64	33,428,506	63
	Equity attributable to owners of parent (Note 6(u)):				
3100	Ordinary share	4,226,043	8	4,167,782	8
3200	Capital surplus (Note 6(o))	2,533,890	5	2,385,924	5
3300	Retained earnings	8,288,561	15	8,630,577	16
3400	Other equity	187,208	-	151,352	-
3500	Treasury stock	(163,070)	-	-	-
	Total equity attributable to owners of parent	15,072,632	28	15,335,635	29
36XX	Non-controlling interests	4,212,169	8	4,080,936	8
	Total equity	19,284,801	36	19,416,571	37
	Total liabilities and equity	**$ 53,439,466**	**100**	**52,845,077**	**100**

See accompanying notes to consolidated financial statements.

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(w) and 7)**	$ 15,411,359	100	18,019,849	100
5000	**Operating costs (Notes 6(d), (s) and 7)**	(11,713,634)	(76)	(13,440,470)	(75)
	Gross profit from operations	3,697,725	24	4,579,379	25
	Operating expenses (Notes 6(s) and 7):				
6100	Selling expenses	(551,972)	(4)	(619,337)	(3)
6200	Administrative expenses (Notes 6(x) and 9(a))	(2,012,532)	(13)	(1,962,317)	(11)
6300	Research and development expenses	(13,735)	-	(11,444)	-
6450	Expected credit gains (losses) (Note 6(c))	3,132	-	(20,239)	-
	Total operating expenses	(2,575,107)	(17)	(2,613,337)	(14)
	Net operating income	1,122,618	7	1,966,042	11
	Non-operating income and expenses:				
7100	Interest income (Notes 6(y) and 7)	93,002	1	116,132	-
7010	Other income (Notes 6(y) and 7)	158,642	1	170,195	1
7020	Other gains and losses (Notes 6(o) and (y))	5,011	-	(24,310)	-
7050	Finance costs (Notes 6(y) and 7)	(400,021)	(3)	(370,779)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(e))	5,355	-	(31,645)	-
	Total non-operating income and expenses	(138,011)	(1)	(140,407)	(1)
	Profit from continuing operations before tax	984,607	6	1,825,635	10
7950	**Less: Tax expense (Note 6(t))**	(257,814)	(1)	(304,638)	(2)
8200	**Net profit**	726,793	5	1,520,997	8
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains on remeasurements of defined benefit plans (Notes 6(s) and (u))	2,844	-	4,043	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(u) and (z))	404	-	(19,433)	-
8349	Less:Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that may not be reclassified subsequently to profit or loss	3,248	-	(15,390)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements (Note 6(u))	44,417	-	332,881	2
8399	Less:Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	44,417	-	332,881	2
8300	**Other comprehensive income (after tax)**	47,665	-	317,491	2
8500	**Comprehensive income**	**$ 774,458**	**5**	**1,838,488**	**10**
	Net profit, attributable to:				
8610	Owners of parent	$ 411,117	3	1,195,191	6
8620	Non-controlling interests	315,676	2	325,806	2
		$ 726,793	**5**	**1,520,997**	**8**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 449,405	3	1,460,380	8
8720	Non-controlling interests	325,053	2	378,108	2
		$ 774,458	**5**	**1,838,488**	**10**
	Earnings per share (expressed in dollars) (Note 6(v))				
9750	**Basic earnings per share**	**$**	**0.98**		**3.05**
9850	**Diluted earnings per share**	**$**	**0.98**		**2.93**

See accompanying notes to consolidated financial statements.

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent										
	Share Capital		Retained Earnings			Other Equity					
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Treasury stock	Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity
Balance on January 1, 2024	$ 3,787,865	1,600,373	2,046,183	49,081	5,909,382	(160,089)	49,704	-	13,282,499	3,904,693	17,187,192
Profit for the year ended December 31, 2024	-	-	-	-	1,195,191	-	-	-	1,195,191	325,806	1,520,997
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,452	281,052	(19,315)	-	265,189	52,302	317,491
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,198,643	281,052	(19,315)	-	1,460,380	378,108	1,838,488
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)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(744)	-	-	-	(744)	(293)	(1,037)
Conversion of convertible bonds	379,917	785,551	-	-	-	-	-	-	1,165,468	-	1,165,468
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	3,000	3,000
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(204,572)	(204,572)
Balance on December 31, 2024	4,167,782	2,385,924	2,142,575	110,385	6,377,617	120,963	30,389	-	15,335,635	4,080,936	19,416,571
Profit for the year ended December 31, 2025	-	-	-	-	411,117	-	-	-	411,117	315,676	726,793
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	2,432	35,482	374	-	38,288	9,377	47,665
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	413,549	35,482	374	-	449,405	325,053	774,458
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	-	174,201
Purchase of treasury stock	-	-	-	-	-	-	-	(163,070)	(163,070)	-	(163,070)
Changes in equity of associates and joint ventures accounted for using equity method	-	32,026	-	-	(26,203)	-	-	-	5,823	-	5,823
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	32,374	32,374
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(2,890)	(2,890)
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(223,304)	(223,304)
Balance on December 31, 2025	**$ 4,226,043**	**2,533,890**	**2,262,365**	**49,081**	**5,977,115**	**156,445**	**30,763**	**(163,070)**	**15,072,632**	**4,212,169**	**19,284,801**

See accompanying notes to consolidated financial statements.

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 984,607	1,825,635
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,292,560	1,071,709
Amortization expense	11,632	8,626
Expected credit (gains) losses	(3,132)	20,239
Net losses on financial assets or liabilities at fair value through profit or loss	-	156
Interest expense	400,021	370,779
Interest income	(93,002)	(116,132)
Dividend income	(36,369)	(30,855)
Share of (profit) loss of associates and joint ventures accounted for using equity method	(5,355)	31,645
Losses on disposal of property, plant and equipment	62,324	2,472
Property, plant and equipment transferred to expenses	8,078	773
Gain on disposal of investment	(46,277)	-
Gain on lease modification	-	(12)
Impairment loss	-	60,259
Deferred credits recognized as the deduction of cost	(15,694)	(255,241)
Effect of exchange rate changes on short-term and long-term borrowings	37	14,792
Total adjustments to reconcile profit	1,574,823	1,179,210
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	1,397	(1,397)
Notes and accounts receivable, net	(75,230)	674,446
Accounts receivable due from related parties, net	(27,087)	4,764
Other receivables	(41,269)	891
Inventories	348,918	3,330,642
Prepayments	(36,183)	(80,868)
Other current assets	34,278	(49,234)
Other financial assets	(597,768)	(780,662)
Incremental costs of obtaining contracts	(336,580)	(108,065)
Total changes in operating assets	(729,524)	2,990,517
Changes in operating liabilities:		
Notes and accounts payable (including related parties), net	43,285	(835,013)
Other payables	(477,475)	31,444
Current contract liabilities	1,169,511	(1,210,532)
Other current liabilities	(10,358)	(88,386)
Net defined benefit liabilities	1,766	828
Other non-current liabilities	18,419	-
Total changes in operating liabilities	745,148	(2,101,659)
Total changes in operating assets and liabilities	15,624	888,858
Total adjustments	1,590,447	2,068,068
Cash inflow generated from operations	2,575,054	3,893,703
Interest received	97,149	108,220
Dividends received	155,234	31,116
Interest paid	(598,903)	(579,596)
Income taxes paid	(149,677)	(422,177)
Net cash flows generated from operating activities	2,078,857	3,031,266
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(42,938)
Return of capital from financial assets measured at fair value through other comprehensive income (FVOCI)	18,779	-
Acquisition of investments accounted for using equity method	(73,956)	(66,304)
Proceeds from disposal of investments accounted for using equity method	3,878	-
Proceeds from capital reduction of investments accounted for using equity method	23,286	-
Acquisition of property, plant and equipment	(491,133)	(1,264,655)
Proceeds from disposal of property, plant and equipment	7,392	3,805
Acquisition of intangible assets	(3,661)	(12,277)
Acquisition of right-of-use assets	(31,584)	-
Acquisition of investment properties	(12,058)	(67,429)
Increase in other financial assets	(611,896)	(888,502)
Increase in other non-current assets	(176,454)	(237,663)
Net cash flows used in investing activities	(1,347,407)	(2,575,963)
Cash flows from financing activities:		
Increase in short-term borrowings	4,650,604	6,844,721
Decrease in short-term borrowings	(4,892,939)	(5,314,686)
Increase in short-term notes and bills payable	33,108	269,629
Proceeds from long-term borrowings	2,416,882	7,119,800
Repayments of long-term borrowings	(1,646,222)	(9,041,129)
Payment of lease liabilities	(207,159)	(208,281)
Increase in other non-current liabilities	771	939
Cash dividends paid	(729,362)	(571,968)
Payment of treasury stock	(163,070)	-
Redemption of convertible bonds	(85,200)	-
Cash capital increase by non-controlling interests	30,000	3,000
Cash dividends paid to non-controlling interests	(223,304)	(204,572)
Acquisition of non-controlling interests	(3,067)	-
Net cash flows used in financing activities	(818,958)	(1,102,547)
Effect of exchange rate changes on cash and cash equivalents	14,717	121,003
Net decrease in cash and cash equivalents	(72,791)	(526,241)
Cash and cash equivalents at the beginning of the period	6,030,407	6,556,648
Cash and cash equivalents at the end of the period	**$ 5,957,616**	**6,030,407**

See accompanying notes to consolidated financial statements.

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

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

(1) Company history

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, Taipei. The major business activities of the Company and its subsidiaries (the "Group") are iron hardware manufacturing and casting, residential and commercial buildings developing, leasing and selling, international hotel servicing and department store retailing. Please refer to Note 14, for the aforementioned information.

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

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

- Amendments to IAS21 "Lack of Exchangeability"

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

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

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

(Continued)

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

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

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

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

(Continued)

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

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

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

(4) Summary of material accounting policies

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as" the Regulations") and the IFRSs, IASs, IFRIC and SIC endorsed by the Financial Supervisory Commission, ROC.(altogether referred to "IFRS Accounting Standards" endorsed by the "FSC")

(b) Basis of preparation

(i) Basis of measurement

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

(ii) Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The Group's consolidated 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.

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Losses applicable to the noncontrolling interests in a subsidiary are allocated to the noncontrolling interests, even if doing so causes the non-controlling interests to have a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the Group's share of net assets before and after the change, and any considerations received or paid, are adjusted to or against the Group reserves.

(ii) List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership		Note
			December 31, 2025	December 31, 2024	
The Company	United Elite Agents Limited (UEA)	Investing	100.00 %	100.00 %	
The Company and Sunflower Investment	Atrans Precision Industries Co., Ltd. (Atrans Precision)	Vehicle parts processing	85.53 %	85.51 %	Note 3
The Company	Sunflower Investment Co., Ltd. (Sunflower Investment)	Investing	99.01 %	99.01 %	
The Company	The Hotel National Co., Ltd. (The Hotel National)	International tourist hotel services and other hotel business approved by the Ministry of Transportation and Communications	100.00 %	100.00 %	
The Company	CMAI CO., LIMITED. (CMAI)	Vehicle parts retailing	100.00 %	100.00 %	
The Company	CMJ CO., LTD. (CMJ)	Cast iron product retailing	83.33 %	83.33 %	
The Company	CMP Lifestyle Hospitality Co., Ltd. (CMP Lifestyle Hospitality)	Management and consulting services	100.00 %	100.00 %	Note 2
The Company and Sunflower Investment	PUJEN Land Development Co., Ltd. (PUJEN Land Development)	Residents, commercial buildings and factories leasing and developing	71.82 %	71.82 %	
The Company and The Hotel National	Shangrila Tourism Co., Ltd. (Shangrila Tourism)	Amusement park and hotel services	100.00 %	100.00 %	
The Company	Taichung CMP Hospitality Management Consulting Co., Ltd.(Taichung CMP Hospitality)	International tourist hotel services	100.00 %	100.00 %	
The Company	Calligraphy Greenway Plaza Co., Ltd. (Calligraphy Greenway Plaza)	Management and consulting services	100.00 %	100.00 %	

(Continued)

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

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership		Note
			December 31, 2025	December 31, 2024	
The Company	Great Naturalistic Block Co., Ltd. (Great Naturalistic Block)	Management and consulting, department store retailing services	100.00 %	100.00 %	
The Company	CMP Intelligence Technology Co., Ltd. (CMP Intelligence Technology)	Intelligent manufacturing services	100.00 %	70.00 %	Note 4
UEA	China Metal International Holdings Inc. (CMI)	Investing and cast iron product retailing	83.27 %	83.27 %	
CMI	China Metal International (BVI) Limited (CMI (BVI))	Investing	100.00 %	100.00 %	
CMI	CMW (Cayman Islands) Co., Ltd. (CMW (C.I.))	Investing	100.00 %	100.00 %	
CMI	CMB (H.K.) Co., Ltd. (CMB (H.K.))	Investing	100.00 %	100.00 %	
CMB (H.K.)	Suzhou CMB Machinery Co., Ltd. (Suzhou CMB)	Cast iron product designing, manufacturing and retailing	100.00 %	100.00 %	
CMI (BVI)	CMP (H.K.) Industry Co., Ltd. (CMP (H.K.))	Investing	100.00 %	100.00 %	
CMP (H.K.)	Tianjin CMT Industry Co., Ltd. (Tianjin CMT)	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	100.00 %	100.00 %	
CMP (H.K.)	Suzhou CMS Machinery Co., Ltd. (Suzhou CMS)	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	100.00 %	100.00 %	
CMW (C.I.)	CMW (Tianjin) Industry Co., Ltd. (CMW (Tianjin))	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	100.00 %	100.00 %	
CMW (C.I.)	CMI (Wu Han) Precision Machinery Co., Ltd. (CMH)	Vehicle parts, farm wagon parts, industrial wagon parts, household appliances parts and E&M as-casting and molds developing, manufacturing, selling and the after sales services	100.00 %	100.00 %	
CMJ	Qingdao Sourcing Specialists Trading Co., Ltd. (Qingdao Sourcing Specialists)	Cast iron product retailing	100.00 %	100.00 %	
CMJ	SIAM SST Co., LTD (SIAM SST)	Cast iron product retailing	99.99 %	99.99 %	
Atrans Precision	FAR HSING (SAMOA) ENTERPRISE CO., LTD. (FAR HSING (SAMOA))	Investing	100.00 %	100.00 %	
PUJEN Land Development	CHINGENG Land Development Co., Ltd. (CHINGENG Land Development)	Residents, commercial buildings and factories leasing and developing	50.00 %	50.00 %	
PUJEN Land Development	PUJEN CHENGMEI Land Development Co., Ltd. (PUJEN CHENGMEI Land Development)	Residents, commercial buildings and factories leasing and developing	70.00 %	70.00 %	Note 1
PUJEN Land Development	PUZHI Construction Co., Ltd. (PUZHI Construction)	Comprehensive construction Activities, residents, commercial buildings and factories leasing and developing	100.00 %	100.00 %	
CMAI	CMAI Holding, Inc. (CMAI Holding)	Investing	100.00 %	100.00 %	

(Continued)

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

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership December 31, 2025	Percentage Ownership December 31, 2024	Note
CMAI Holding	Pilot Drive LLC (Pilot)	Assets leasing	100.00 %	100.00 %	
Pilot	CMAI INDUSTRIES, INC. (CMAI N.A.)	Vehicle parts retailing	100.00 %	100.00 %	
CMAI Holding	CMAI-MEX Holding LLC(CMAI-MEX)	Investing	100.00 %	100.00 %	
CMAI Holding&CMAI-MEX	MEXICO CMI-CMAI S. de R.L. de C.V. (MEXICO CMI-CMAI)	Vehicle parts retailing	100.00 %	100.00 %	

Note 1: PUJEN CHENGMEI Land Development executed a cash capital increase on March 25, 2025. The Group and the non-controlling interests subscribed to the new shares in proportion with the original percentage of ownership, amounting to $70,000 thousand and $30,000 thousand, respectively.

Note 2: On September 22, 2025, the Company was approved by the Ministry of Economic Affairs to change its name from National Management Co., Ltd. to CMP Lifestyle Hospitality Co., Ltd.

Note 3: On April 28, 2025, the Group acquired non-controlling interests in Atrans Precision Industries Co., Ltd. for NT$67 thousand, increasing its ownership from 85.51% to 85.53%.

Note 4: On July 7, 2025, the Group acquired non-controlling interests in CMP Intelligence Technology Co., Ltd. for NT$3,000 thousand, increasing its ownership from 70% to 100%.

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

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of each subsequent 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.

(Continued)

(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 the 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 Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group 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 planned 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.

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

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

(i) It 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;

(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 Group 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.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits 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.

(g) 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 Group 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 traded 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 Group 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 (SPPI) 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 Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

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

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 Group'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 Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

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

The Group 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 and contract assets are always measured at an amount equal to lifetime ECL.

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 months 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 Group is exposed to credit risk.

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

The time deposits held by the Group were 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 Group in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost 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 Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

When the Group 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 Group 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 Group 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 Group 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.

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 Group 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.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their 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.

(i) Investment in associates

Associates are those entities in which the Group 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 consolidated financial statements include the Group' 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 Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group 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 Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its 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 Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(Continued)

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics:

(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 Group has joint control of the arrangement (i.e. joint ventures) in which the Group has rights to the net assets of the arrangement , rather than rights to its assets and obligations for its liabilities. The Group 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 Group qualifies for exemption from that Standard. Please refer to Note 4(i) for the application of the equity method.

When assessing the classification of a joint arrangement, the Group 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 Group revaluates 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.

(l) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a 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	2~10 years
4)	Office and other equipment	1~25 years
5)	Leasehold improvement	1~39 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 Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

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

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

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

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

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

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

If an arrangement contains lease and non-lease components, the Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group will continue to recognize the transferred asset and shall recognize the financial liability equal to the transfer proceeds.

(ii) As a lessor

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

When the Group 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 Group 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 Group 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 Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as rental revenue.

(n) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives 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	1~10 years
2)	Customer relationship	10 years
3)	Patent	8~9 years

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

(o) Impairment of nonfinancial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets 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.

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 (includes warranties, financial security contract and contingencies from legal law suits) is recognized if, as a result of a past event, the Group 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 Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group 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 Group has objective evidence that all criteria for acceptance have been satisfied.

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

The Group grants its main customers the right to return the product within certain period. Therefore, the Group reduces its revenue by the amount of expected returns and discounts, and recognizes a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns and discounts at the time of sale. Also, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the estimated amount of expected returns and discounts.

2) Land development and sale of real estate

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

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

3) Revenue from Food and Beverage and Room Services

Revenue is generated from providing food and beverage services and accommodation-related services. Revenue is recognized based on the consideration that the Group expects to be entitled to in exchange for transferring the services to the customer, and is recognized when the Group satisfies its performance obligations by transferring control of the services to the customer.

Advance receipts, such as deposits or gift vouchers, are recognized as contract liabilities and are reclassified to revenue when the related services are provided.

4) Customer loyalty program

The Group 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 Group 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 Group 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.

5) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. 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.

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

2) Costs to fulfil a contract

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

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

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

(r) Government grants and government assistance

The Group 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 Group 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 Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(t) Income taxes

Income taxes comprise 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.

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 Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

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

Deferred 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 Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

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

1) the same taxable entity; or

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

(u) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest' s proportionate share of the acquiree' s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group' s net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group' s financial statements. During the measurement period, the provisional amounts recognized are retrospectively adjusted at the acquisition date, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

The Group recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. The cost of the acquisition and measuring goodwill will retrospectively be adjusted when some changes in the fair value of contingent consideration that the Group recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. The Group accounts for the changes in the fair value of contingent consideration that are not measurement period adjustments based on the classification of contingent consideration. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement will be accounted for within equity. Others will be measured at fair value at each reporting date and changes in fair value will be recognized in profit or loss or other comprehensive income.

(v) Earnings per share

The Group discloses the Company 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.

(w) Operating segments

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

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

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgment and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

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

In respect of commissions, the Group 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 Group does not obtain the ownership of the goods and does not obligate to the sale of the goods.

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

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

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 Group 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 Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The 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 Group 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 income under cash basis, which requires the Group's management to determine the valuation method, major assumption and to calculate the equity value. In addition, impairment of goodwill depends on the Group to make subjective judgments which involves highly estimation uncertainty. Please refer to Note 6(j) 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 Group'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 Note 6(q) for further description of provisions and contingent liabilities.

The Group'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 Group 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 liabilities 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 below for assumptions used in measuring fair value.

(i) Note 6(z), Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 5,856	6,419
Cash in banks	4,272,900	3,961,874
Time deposits	1,678,860	2,062,114
Cash and cash equivalents	**$ 5,957,616**	**6,030,407**

The expiration period of time deposits between three months and one year are classified under other current financial assets. As of December 31, 2025 and 2024, the amounts of $1,494,405 thousand and $884,408 thousand, respectively, were classified under other current financial assets. The expiration period of time deposits above one year are classified under other non-current financial assets. As of December 31, 2025 and 2024, the amount of $238,833 thousand and $231,589 thousand was classified under other non-current financial assets.

Please refer to Note 6(z) for the sensitivity analysis of the financial assets.

(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
Stocks unlisted on domestic markets— Asia World Engineering & Construction Co., Ltd.	60,126	53,212
Stocks unlisted on domestic markets— MASADA Technology Limited Co., Ltd.	13,531	17,418
Stocks unlisted on domestic markets— Longmen I L.P.	5,702	10,416
Total	**$ 197,881**	**216,256**

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

(Continued)

(i) The Group holds 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 Group received dividend income amounting to $36,369 thousand and $30,855 thousand, respectively, from the above investments measured at FVOCI.

(iii) Please refer to Note 6(z) 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	$ 345,219	171,160
Accounts receivable measured as amortized cost	2,819,585	2,924,099
Subtotal	3,164,804	3,095,259
Less: Loss allowance	(18,916)	(25,048)
Total	**$ 3,145,888**	**3,070,211**

The Group applies the simplified approach to estimate its 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 macroeconomics and 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	$ 2,947,500	0%	-
1 to 30 days past due	171,302	0%~0.29%	482
31 to 90 days past due	26,019	8.46%~99.90%	2,200
91 to 120 days past due	734	2.04%	15
121 days to a year past due	15,978	6.55%~100%	12,948
Over a year past due	3,271	100%	3,271
	$ 3,164,804		**18,916**

	December 31, 2024		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	$ 2,904,714	0%	-
1 to 30 days past due	129,364	0%~0.51%	656
31 to 90 days past due	25,003	0%~0.03%	8
91 to 120 days past due	7,464	1.91%	133
121 days to a year past due	15,593	5.98%~71.38%	11,130
Over a year past due	13,121	100%	13,121
	$ 3,095,259		**25,048**

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	$ 25,048	4,684
Impairment (reversed) losses recognized	(3,132)	20,239
Amounts written off	(2,216)	-
Foreign exchange (gain) losses	(784)	125
Balance on December 31	**$ 18,916**	**25,048**

The financial assets mentioned above were not pledged as collateral.

(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 148,778	140,893
Work in process	208,570	186,799
Semi-finished goods	106,209	110,629
Finished goods	870,810	972,152
Merchandise	155,234	155,149
Land held for development	1,367,518	4,289,689
Properties and land held for sale	1,533,422	1,843,442
Construction-in-progress	15,308,844	12,176,234
Prepayments for land	60,070	60,070
Other inventories	72,170	58,607
	$ 19,831,625	**19,993,664**

(i) For the years ended December 31, 2025 and 2024, the cost of goods sold amounted to $11,713,634 thousand and $11,076 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 $22,047 thousand and $(899) thousand, respectively.

(ii) For the information on inventories pledged as collateral, as of December 31, 2025 and 2024, please refer to Note 8.

(iii) For the years ended December 31, 2025 and 2024, the capitalized interest expense recognized in the inventory amounted to $185,088 thousand and $186,917 thousand, respectively. The interest rate of capitalization were 2.70%~2.74% and 2.54%~2.70%, respectively.

(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
Associates	$ 444,169	403,666
Joint ventures	270,949	317,800
	$ 715,118	**721,466**

(i) Associates

Due to the fact that the Group 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. (Amida Trustlink Assets). For the year ended December 31, 2024, the unrealized investment losses amounted to $174 thousand, respectively; the accumulated unrealized investment losses, as of December 31, 2024, amounted to $58,706 thousand, respectively.

Amida Trustlink Assets Management Co., Ltd. completed its dissolution registration on July 4, 2025, and received the remaining assets, including the cash of $3,878 thousand and the land measured at fair value of 12,912 thousand (classified as other non-current assets). The liquidation procedures had not yet been completed, resulting in the Group to recognize again on disposal of investments as of the reporting date. The liquidation procedures had not yet been completed, resulting in the Group to recognize a gain on disposal of investments as of the reporting date. Please refer to Note 6(y).

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

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

	December 31, 2025	December 31, 2024
Associates	$ 428,072	403,666
Add: The credit balance of investments accounted for using the equity method is reclassified to non-current liabilities	16,097	-
	$ 444,169	**403,666**

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	**$ 428,072**	**403,666**

	For the Years Ended December 31	
	2025	2024
Attributable to the Group:		
Net income	$ 53,366	6,218
Other comprehensive income	-	-
Comprehensive income	**$ 53,366**	**6,218**

(ii) Joint ventures

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

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant joint ventures' equity	**$ 270,949**	**317,800**

	For the Years Ended December 31	
	2025	2024
Attributable to the Group:		
Net loss	$ (48,011)	(37,863)
Other comprehensive income	-	-
Comprehensive income	**$ (48,011)**	**(37,863)**

(iii) Pledge to secure

As of December 31, 2025 and 2024, the investments accounted for using equity method were not pledged as collateral.

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

(i) Acquisition of additional shares interests of subsidiary

For the year ended December 31, 2025, the Group obtained CMP Intelligence Technology and Atrans Precision additional equity on $3,000 thousand and $67 thousand, respectively, increasing the percentage ownership from 70.00% to 100.00% and 85.51% to 85.53%, respectively.

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

	For the Year Ended December 31 2025	
	CMP Intelligence Technology	Atrans Precision
Acquisition of non-controlling interests	$ 2,768	122
Payment to non-controlling interests	(3,000)	(67)
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	**$ (232)**	**55**

(g) Property, plant and equipment

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

	Land	Buildings	Machinery	Office Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Construction in Progress	Total
Cost:									
Balance on January 1, 2025	$ 3,138,538	8,768,217	10,876,724	140,806	56,792	342,955	1,229,093	264,364	24,817,489
Additions	-	83,122	124,425	4,808	1,108	13,582	72,989	191,099	491,133
Disposals	-	(236,497)	(176,978)	(6,742)	(5,172)	(21,654)	(47,362)	(476)	(494,881)
Reclassification	141,473	(99,057)	132,142	2,997	-	2,332	13,321	(37,350)	155,858
Influence from exchange rates	(371)	7,227	43,628	155	21	858	2,724	2,175	56,417
Balance on December 31, 2025	**$ 3,279,640**	**8,523,012**	**10,999,941**	**142,024**	**52,749**	**338,073**	**1,270,765**	**419,812**	**25,026,016**
Balance on January 1, 2024	$ 3,176,092	4,313,532	10,409,370	127,203	57,156	265,880	971,520	973,794	20,294,547
Additions	-	617,666	126,073	11,425	3,069	10,112	248,277	248,033	1,264,655
Disposals	-	(18,429)	(135,079)	(2,093)	(4,599)	(11,170)	(97,939)	-	(269,309)
Reclassification	(38,121)	3,740,417	158,290	1,557	-	68,177	91,056	(961,577)	3,059,799
Influence from exchange rates	567	115,031	318,070	2,714	1,166	9,956	16,179	4,114	467,797
Balance on December 31, 2024	**$ 3,138,538**	**8,768,217**	**10,876,724**	**140,806**	**56,792**	**342,955**	**1,229,093**	**264,364**	**24,817,489**
Accumulated depreciation and impairment loss									
Balance on January 1, 2025	$ -	2,016,285	7,642,096	110,430	48,517	152,957	669,150	-	10,639,435
Depreciation	-	336,087	539,582	14,619	2,754	38,838	139,984	-	1,071,864
Disposals	-	(175,773)	(168,879)	(6,710)	(5,172)	(21,654)	(46,977)	-	(425,165)
Reclassification	-	12,405	1,803	(351)	-	-	(3,944)	-	9,913
Influence from exchange rates	-	8,148	40,196	204	87	1,081	2,831	-	52,547
Balance on December 31, 2025	**$ -**	**2,197,152**	**8,054,798**	**118,192**	**46,186**	**171,222**	**761,044**	**-**	**11,348,594**

(Continued)

	Land	Buildings	Machinery	Office Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Construction in Progress	Total
Balance on January 1, 2024	$ -	1,780,961	7,011,127	97,729	48,484	125,445	642,304	-	9,706,050
Depreciation	-	156,862	543,189	13,588	3,571	34,030	105,860	-	857,100
Disposals	-	(17,642)	(131,602)	(2,224)	(4,488)	(11,170)	(95,906)	-	(263,032)
Impairment loss	-	55,764	-	-	-	-	4,495	-	60,259
Reclassification	-	-	-	(911)	-	-	911	-	-
Influence from exchange rates	-	40,340	219,382	2,248	950	4,652	11,486	-	279,058
Balance on December 31, 2024	**$ -**	**2,016,285**	**7,642,096**	**110,430**	**48,517**	**152,957**	**669,150**	**-**	**10,639,435**
Carrying value:									
Balance on January 1, 2025	**$ 3,138,538**	**6,751,932**	**3,234,628**	**30,376**	**8,275**	**189,998**	**559,943**	**264,364**	**14,178,054**
Balance on December 31, 2025	**$ 3,279,640**	**6,325,860**	**2,945,143**	**23,832**	**6,563**	**166,851**	**509,721**	**419,812**	**13,677,422**
Balance on January 1, 2024	**$ 3,176,092**	**2,532,571**	**3,398,243**	**29,474**	**8,672**	**140,435**	**329,216**	**973,794**	**10,588,497**
Balance on December 31, 2024	**$ 3,138,538**	**6,751,932**	**3,234,628**	**30,376**	**8,275**	**189,998**	**559,943**	**264,364**	**14,178,054**

The land and hotel development project of the Group located in Taichung, please refer to Note 9(a)(ix) for details. The amount of interest capitalized under other non-current assets for the year ended December 31, 2024 was $11,076 thousand, with a capitalization rate of 2.50%. The development project was completed and put into operation on October 23, 2024 which was reclassified from other non-current assets and was leased to the subsidiary, Taichung CMP Hospitality.

The Group reassessed the usage and leasing status of property, plant and equipment, and reclassified certain items to investment property at book value at the time of the change in use, please refer to Note 6(i) for details.

As of December 31, 2025 and 2024, the details of plant, property and equipment pledged as collateral, please refer to Note 8.

(h) Right-of-use assets

The cost and accumulated depreciation of the right-of-use assets, which includes land, buildings, machinery and transportation equipment rented by the Group, for the years ended December 31, 2025 and 2024 are as follows:

	Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost:							
Balance on January 1, 2025	$ 1,015,679	2,395,020	42,205	23,727	2,657	123,089	3,602,377
Additions	31,584	8,323	-	2,093	413	-	42,413
Reduction for expiration	-	(5,818)	-	(2,970)	(430)	-	(9,218)
Remeasurement	(113,655)	-	-	-	-	-	(113,655)
Reclassification	-	-	(1,804)	-	-	-	(1,804)
Influence from exchange rates	1,558	111	173	-	(58)	-	1,784
Balance on December 31, 2025	**$ 935,166**	**2,397,636**	**40,574**	**22,850**	**2,582**	**123,089**	**3,521,897**
Balance on January 1, 2024	$ 1,003,993	2,399,913	37,451	22,439	1,584	120,726	3,586,106
Additions	-	629	10,378	6,396	1,025	2,363	20,791
Reduction for expiration	-	(5,777)	(6,839)	(5,108)	-	-	(17,724)
Influence from exchange rates	11,686	255	1,215	-	48	-	13,204
Balance on December 31, 2024	**$ 1,015,679**	**2,395,020**	**42,205**	**23,727**	**2,657**	**123,089**	**3,602,377**

(Continued)

	Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Other Equipment	Total
Accumulated depreciation:							
Balance on January 1, 2025	$ 251,890	1,796,710	23,100	12,759	1,384	25,584	2,111,427
Depreciation	22,800	162,860	12,603	6,577	612	3,917	209,369
Reduction for expiration	-	(5,818)	-	(2,970)	(430)	-	(9,218)
Reclassification	-	-	(1,804)	-	-	-	(1,804)
Influence from exchange rates	778	(32)	548	-	(14)	-	1,280
Balance on December 31, 2025	**$ 275,468**	**1,953,720**	**34,447**	**16,366**	**1,552**	**29,501**	**2,311,054**
Balance on January 1, 2024	$ 224,598	1,639,220	15,028	11,206	788	22,053	1,912,893
Depreciation	23,651	163,097	14,404	6,661	585	3,531	211,929
Reduction for expiration	-	(5,777)	(6,839)	(5,108)	-	-	(17,724)
Influence from exchange rates	3,641	170	507	-	11	-	4,329
Balance on December 31, 2024	**$ 251,890**	**1,796,710**	**23,100**	**12,759**	**1,384**	**25,584**	**2,111,427**
Carrying value:							
Balance on December 31, 2025	**$ 659,698**	**443,916**	**6,127**	**6,484**	**1,030**	**93,588**	**1,210,843**
Balance on January 1, 2024	**$ 779,395**	**760,693**	**22,423**	**11,233**	**796**	**98,673**	**1,673,213**
Balance on December 31, 2024	**$ 763,789**	**598,310**	**19,105**	**10,968**	**1,273**	**97,505**	**1,490,950**

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

(i) Investment property

Investment property comprises office buildings and business location that are leased to third parties under operating leases, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 3 to 5 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 Group. When this is the case, the amounts of insurance costs are determined annually.

The movements of the investment property is as follows:

	Land	Buildings	Construction in Progress	Total
Cost:				
Balance on January 1, 2025	$ 629,379	240,207	70,537	940,123
Additions	-	12,058	-	12,058
Reclassification	(134,506)	59,360	(70,537)	(145,683)
Balance on December 31, 2025	**$ 494,873**	**311,625**	**-**	**806,498**
Balance on January 1, 2024	$ 596,723	121,530	-	718,253
Additions	-	-	67,429	67,429
Reclassification	32,656	118,677	3,108	154,441
Balance on December 31, 2024	**$ 629,379**	**240,207**	**70,537**	**940,123**

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	Land	Buildings	Construction in Progress	Total
Depreciation:				
Balance on January 1, 2025	$ -	59,704	-	59,704
Depreciation	-	11,327	-	11,327
Reclassification	-	(11,208)	-	(11,208)
Balance on December 31, 2025	**$ -**	**59,823**	**-**	**59,823**
Balance on January 1, 2024	$ -	57,024	-	57,024
Depreciation	-	2,680	-	2,680
Balance on December 31, 2024	**$ -**	**59,704**	**-**	**59,704**
Carrying value:				
Balance on December 31, 2025	**$ 494,873**	**251,802**	**-**	**746,675**
Balance on January 1, 2024	**$ 596,723**	**64,506**	**-**	**661,229**
Balance on December 31, 2024	**$ 629,379**	**180,503**	**70,537**	**880,419**
Fair value:				
Balance on December 31, 2025				**$ 1,204,211**
Balance on January 1, 2024				**$ 1,081,534**
Balance on December 31, 2024				**$ 1,334,011**

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 three 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(r) 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(r).

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.

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

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(j) Intangible assets

The movements in the costs of intangible assets and amortization of the Group are as follows:

	Goodwill	Patent	Client Relationship	Computer Software	Total
Cost:					
Balance on January 1, 2025	$ 427,151	65,123	235,098	75,958	803,330
Acquisitions	-	-	-	3,661	3,661
Disposal	-	-	-	(1,016)	(1,016)
Reclassification	-	-	-	2,664	2,664
Influence from exchange rates	(4,825)	291	1,050	(147)	(3,631)
Balance on December 31, 2025	**$ 422,326**	**65,414**	**236,148**	**81,120**	**805,008**
Balance on January 1, 2024	$ 410,156	62,942	227,226	56,315	756,639
Acquisitions	-	-	-	12,277	12,277
Reclassification	-	-	-	7,142	7,142
Influence from exchange rates	16,995	2,181	7,872	224	27,272
Balance on December 31, 2024	**$ 427,151**	**65,123**	**235,098**	**75,958**	**803,330**
Accumulated amortization:					
Balance on January 1, 2025	$ -	65,123	235,098	46,046	346,267
Amortization	-	-	-	11,632	11,632
Disposal	-	-	-	(1,016)	(1,016)
Reclassification	-	-	-	1,245	1,245
Influence from exchange rates	-	291	1,050	(147)	1,194
Balance on December 31, 2025	**$ -**	**65,414**	**236,148**	**57,760**	**359,322**
Balance on January 1, 2024	$ -	62,942	227,226	37,196	327,364
Amortization	-	-	-	8,626	8,626
Influence from exchange rates	-	2,181	7,872	224	10,277
Balance on December 31, 2024	**$ -**	**65,123**	**235,098**	**46,046**	**346,267**
Carrying value:					
Balance on December 31, 2025	**$ 422,326**	**-**	**-**	**23,360**	**445,686**
Balance on January 1, 2024	**$ 410,156**	**-**	**-**	**19,119**	**429,275**
Balance on December 31, 2024	**$ 427,151**	**-**	**-**	**29,912**	**457,063**

(Continued)

(i) The Group conducts impairment assessment on goodwill at least once a year on the reporting date. The goodwill on December 31, 2025, amounting to USD$11,954 thousand, arose from the Company's long-term investment of $865,286 thousand in its fully-owned subsidiary, UEA. The Company adopted the discounted cash flow analysis under the income approach based on UEA's operational income as the evaluation method, using free cash flows as the criterion for determining the recoverable cash flows of goodwill, was higher than the book value of the equity investment on the evaluation date, which were resulting in no impairment loss. These recoverable amounts were estimated by using discounted cash flows, which were classified as Level 3 for using significant unobservable inputs.

The discount rate is based on the industry-weighted average cost of capital, respectively. The cash flow estimates were based on the five-year financial budget suggested by the management, and were extrapolated to subsequent years with a flat growth rate. The values of the aforementioned key assumptions are the management's assessment indicators of the future trends of the relevant industry, while taking into account of historical information from internal and external sources.

(k) Other current and non-current financial assets

		December 31, 2025	December 31, 2024
Other current financial assets			
Restricted assets	$	2,427,922	1,794,991
Refundable deposits		389,592	421,674
Time deposits- The expiration period from three months to one year		1,494,405	884,408
	$	**4,311,919**	**3,101,073**
Other non-current financial assets			
Debt obligation receivable－The Splendor Hospitality International Co., Ltd.	$	575,000	575,000
Refundable deposits		145,199	121,559
Time deposits－The expiration period above one year		238,833	231,589
Long－term borrowings reserve deposits		675	1,753
	$	**959,707**	**929,901**

(i) Other current and non-current financial assets

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 Group and Prince Housing and Development Co., Ltd. (Prince Housing and Development) entered into an assignment of debt agreement with Amida Trustlink Assets which the Group and Prince Housing and Development each owned half of the obligation. The Group and Prince Housing and Development each injected 50% and obtained the major mortgages, collateral, 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 Group and Prince Housing and Development each injected 50% and cofounded The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality International). In November 2006, The Splendor Hospitality International and Taichung Port Splendor entered into a specific asset transfer agreement and obtained the specific assets of Taichung Port Splendor by assuming its debts. The Group' s right of receivables transferred from Taichung Port Splendor to The Splendor Hospitality International. In December 2006, the Group and Prince Housing and Development signed a 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 Group and Prince Housing and Development equally. The details of total debt obligation receivable and obligation cost after deducted the received amount in 2007 is 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 amounted to $3,960,000 thousand, the residual mortgage attributed to the Group 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 amounted to $3,960,000 thousand, the residual mortgage attributed to the Group amounted to $2,355,770 thousand.	The building of The Splendor Hospitality International (the 2nd security)

(l) Other non-current assets

The details of other non-current assets are as follows:

	December 31, 2025	December 31, 2024
Discounts for converting residential to commercial	$ 49,467	51,075
Land	14,159	14,159
Prepayments for equipment	84,011	44,351
Other	131,259	103,388
	$ 278,896	**212,973**

The land held by the Group is located at Xinfeng Township Kengzikou and Zaoqiao Township Niulan Lake. According to the laws and regulations, companies cannot be registered as landowners, due to the usage of the land is registered for farming, graveyard and conservation. Therefore, the ownership of the land was passed to individuals and was registered as private personal property. For obtaining the right of land, the Group held the land certificate and entered into an agreement with the registered owner, which specified that the Group retain all rights and obligations of the land.

(m) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank borrowings	$ 6,707,010	6,708,232
Secured bank borrowings	5,272,804	5,551,784
Notes and bills payable	928,727	845,662
Total	**$ 12,908,541**	**13,105,678**
Unused credit limit	**$ 7,175,450**	**8,881,242**
Range of interest rates	**0.99%~4.68%**	**0.50%~5.43%**

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

(n) 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%	2026~2030	8,149,360
Less: Current portion				(1,746,271)
Unamortized long-term borrowings costs				(16,480)
Total				**$ 7,786,609**
Unused credit limit				**$ 498,006**

(Continued)

	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	1.86%~2.68%	2025~2029	7,428,700
Less: Current portion				(1,126,493)
Unamortized long-term borrowings costs				(15,111)
Total				**$ 7,637,096**
Unused credit limit				**$ 826,126**

(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 Group 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 Group was in compliance with the above borrowing covenants.

(o) Bonds payable

The details of the bonds payable are 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)**

(Continued)

On January 24, 2022, the Group 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 Group upon maturity at par value.

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

1) The Group would repurchase the bond at par value if the close price of the Group'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 Group 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 Group 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 Group'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 20,038,661ordinary 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 Group redeemed its unsecured convertible corporate bonds of $85,200 thousand, in cash, upon maturity.

(p) Lease liabilities

The details of the lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	$ 194,612	205,829
Non-current	$ 806,195	1,105,246

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

The amounts recognized in profit or loss are as follows:

	For the Years Ended December 31	
	2025	2024
Interest on lease liabilities	$ 16,914	18,636
Variable lease payments not included in the measurement of lease liabilities	$ 20,134	19,422
Expenses relating to short-term leases	$ 41,550	21,875

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	$ 285,757	268,214

(i) Real estate leases

The Group 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 Group makes at the leased store in the period. Some also require the Group 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 Group 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 Group and not by the lessors. In which the 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 Group leases equipment and transportation, with lease terms of 2 to 6 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group 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 Group has elected not to recognize right-of-use assets and lease liabilities.

(q) Other non-current liabilities

	December 31, 2025	December 31, 2024
Non-current:		
Financial guarantee contracts	$ 30,625	41,003
Legal	236,052	236,052
Deposits received	26,404	32,119
The credit balance of investments accounted for using equity method	16,097	-
Long-term provisions for liabilities	20,675	2,256
Others	22,443	23,366
Total	**$ 352,296**	**334,796**

(i) Financial guarantee contracts

The Group assisted the joint venture to obtain the endorsement guarantee for the credit limit from the financial institutions. According to IFRS 9 " Financial Instruments", the financial guarantee contracts are measured at fair value.

(ii) Legal

Please refer to Note 9(b), (ii) for the information on estimated legal provisions and losses.

(iii) The credit balance of investments accounted for using equity method

On December 31, 2025, the Group continued to recognize losses from associates in proportion to its shareholdings, resulting in a credit balance of $16,097 thousand in the carrying amount of investments accounted for using the equity method. The Group reclassified the related credit balance to other non-current liabilities,please refer to Note 6(e).

(iv) Long-term provisions for liabilities

The Group' s provision for capital expenditures amounted to $20,675 thousand and $2,256 thousand as of December 31, 2025 and 2024, respectively.

(r) Operating leases

The Group 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	$ 9,157	15,393
One to two years	5,257	6,890
Two to three years	-	5,257
Total undiscounted lease payments	**$ 14,414**	**27,540**

For the years ended December 31, 2025 and 2024, rental revenues from investment properties amounted to $16,131 thousand and $14,238 thousand, respectively. The equipment and maintenance costs arising from the investment properties (recognized under "operating costs") are $0 thousands.

(s) 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	$ 57,426	57,555
Fair value of plan assets	(33,379)	(31,339)
Net defined benefit obligation	**$ 24,047**	**26,216**
Net defined benefit assets	**$ 6,127**	**2,896**
Net defined benefit liabilities	**$ (30,174)**	**(29,112)**

The Group 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 Group 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.

(Continued)

The Group's contributions to the pension funds were deposited with Bank of Taiwan, which amounted to $34,471 thousand on the reporting date. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

For the year ended December 31, 2025, according to the Labor Standers Law and the Labor Pension Act, PUJEN Land Development have settled the old pension accounts with the employees, respectively, the settlement amount is withdrawn from the special account, and the balance has been returned to the above company.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the years ended December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	2024
Defined benefit obligations on January 1	$ 57,555	64,328
Current service costs and interest	1,395	1,408
Remeasurements of the net defined benefit liability		
—Actuarial gains from changes in financial assumption	(403)	(1,124)
Prior service cost and gain or loss from the settlement	-	(4,293)
Benefits paid by the plan	(1,121)	(2,764)
Defined benefit obligation on December 31	**$ 57,426**	**57,555**

3) Movements of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	2024
Fair value of plan assets on January 1	$ 31,339	35,143
Interest revenue	440	373
Remeasurements of the net defined benefit liability		
—Return on plan assets (not including current interest cost)	2,441	2,919
Contributed amount	1,502	487
Benefits paid by the plan	(2,343)	(5,009)
Cash returned from the pension fund	-	(2,574)
Fair value of plan assets on December 31	**$ 33,379**	**31,339**

(Continued)

4) Changes in the effect of the asset ceilings: None.

5) Expenses recognized in profit and loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	2024
Current service cost	$ 998	982
Net interest on net defined benefit (assets) liability	(43)	53
Prior service cost and gain or loss from the settlement	-	(4,293)
	$ 955	**(3,258)**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date are as follows:

	2025.12.31	2024.12.31
Discount rate	1.25%	1.4%
Future salary increase rate	1.50%	1.5%

Based on the actuarial report, the Group is expected to make a contribution payment of $338 thousand to the defined benefit plans for the one year period after the reporting date of 2025.

The weighted average duration of the defined benefit plans is 5.10 years.

7) Sensitivity analysis

As of December 31, 2025 and 2024, the changes in the principal actuarial assumptions that will impact on the present value of defined benefit obligation are as follows:

	Impact on Present Value of Defined Benefit Obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2025		
Discount rate	$ (127)	129
Future salary increase rate	544	(517)
December 31, 2024		
Discount rate	(159)	162
Future salary increase rate	690	(637)

(Continued)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Group contributes an amount at the rate of the employees' monthly wages to the Labor Pension personal account with the Bureau of Labor Insurance and Council of Labor Affairs in R.O.C. and relative social insurance institutions in accordance with the provisions of the Labor Pension Act and pension regulations in other business area. The Group's contributions to the Bureau of Labor Insurance for the employees' pension benefits, as well as to the labor and social security bureau, 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 $105,527 thousand and $100,744 thousand, respectively.

(t) Income tax

(i) Applicated legal tax rates of foreign subsidiaries: China: 15%~25%; Japan: 33.79%; the USA: 21%; Thailand: 20%; Mexico: 21%.

(ii) The income tax expense are as follows:

	For the Years Ended December 31	
	2025	**2024**
Current income tax expense		
Current period incurred	$ 246,111	177,079
Land value increment taxes	20,321	46,115
Undistributed profit tax	32,793	21,973
Adjustment for prior periods	(3,977)	(30,932)
	295,248	214,235
Deferred tax expence		
Origination and reversal of temporary differences	(37,434)	90,403
Income tax expense	**$ 257,814**	**304,638**

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Income tax on pre-tax financial income was reconciled with income tax 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	$ 984,607	1,825,635
Income tax expense at domestic statutory tax rate	196,921	365,127
Difference of the applicable tax rate between the parent company and its subsidiaries	4,850	(11,654)
Investment losses accounted for using equity method	(1,071)	6,329
Domestic investment income under Article 42 of Income Tax Act	(4,820)	(6,171)
Land tax exemption	(21,957)	(225,460)
Difference between financial and taxable filing income	(12,520)	(23,156)
Land value increment tax	20,321	46,115
Undistributed profit tax	32,793	21,973
Prior overestimate income tax	(3,977)	(30,932)
Current year losses for which no deferred tax asset was recognized	64,090	61,537
Reversal of previously recognized tax losses	10,692	54,422
Others	(27,508)	46,508
Income tax expense	**$ 257,814**	**304,638**

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

The unrecognized deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 446	12,795
Tax losses	306,102	276,157
	$ 306,548	**288,952**

The ROC Income Tax Act allows the carry forward of net losses, as assessed by the tax authorities, to offset against taxable income. 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 Group can utilize as temporary difference.

(Continued)

As of December 31, 2025, the Group had not recognized the prior years' loss carryfowards as deferred tax assets, and the expiry years' thereof are as follows:

Unused Balance	Expiry Year
$ 64,484	2026
68,884	2027
43,273	2028
59,337	2029
58,122	2030
866,651	2031
23,639	2032
88,470	2033
315,439	2034
376,655	After 2035
$ 1,964,954	

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:

	Tax Losses	Others	Total
Balance on January 1, 2025	$ 68,859	51,308	120,167
Debit on income statement	(10,692)	(7,255)	(17,947)
Exchange differences on translation of foreign financial statements	-	(863)	(863)
Balance on December 31, 2025	**$ 58,167**	**43,190**	**101,357**
Balance on January 1,2024	$ 123,281	63,317	186,598
Debit on income statement	(54,422)	(13,489)	(67,911)
Exchange differences on translation of foreign financial statements	-	1,480	1,480
Balance on December 31, 2024	**$ 68,859**	**51,308**	**120,167**

Deferred tax liabilities:

	Gains from Sale Leaseback	Others	Total
Balance on January 1, 2025	$ 49,068	475,477	524,545
Credit on income statement	(13,084)	(42,297)	(55,381)
Exchange differences on translation of foreign financial statements	-	(76)	(76)
Balance on December 31, 2025	**$ 35,984**	**433,104**	**469,088**
Balance on January 1, 2024	$ 62,152	439,740	501,892
(Credit) debit on income statement	(13,084)	35,576	22,492
Exchange differences on translation of foreign financial statements	-	161	161
Balance on December 31, 2024	**$ 49,068**	**475,477**	**524,545**

(iv) The income tax returns of the Company had been assessed and approved by the Tax Authority through 2023. The Company and Sunflower Investment did not agree with the proposed tax adjustments made by the tax authority, and filed the petition of administration. Please refer to Note 9(b) for details.

(u) Share capital and other equity

(i) Capital stock

As of December 31, 2025 and 2024, the Company's authorized share capital are $5,000,000 thousands, with par value of $10 per share and the issued capital are $4,226,043 thousand and $4,167,782 thousand, respectively. All the proceeds from the issued capital have been remitted.

(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 interest 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.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, after-tax earnings and other items in undistributed earnings except from 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, as required by its operation or 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 amounts 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 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:

	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 resolutions decided during the meeting of the Board of Directors held on March 12, 2026. These earnings are appropriated as follows:

	2025	
	Allotment (NTD)	Amount
Common stock dividends per share		
Cash	$ 0.80	**333,011**

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(iv) Treasury stock

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 shares 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.

(v) Other equity (net of tax)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains from Financial Assets Measured at FVOCI	Non-controlling Interest	Total
Balance on January 1, 2025	$ 120,963	30,389	4,080,936	4,232,288
Profit attributable to non-controlling interests	-	-	315,676	315,676
Exchange differences on foreign operations	35,482	-	8,935	44,417
Unrealized gains on financial assets measured at FVOCI	-	374	30	404
Changes in non-controlling interests	-	-	32,374	32,374
Acquisition of non-controlling interests	-	-	(2,890)	(2,890)
Cash dividends paid to non-controlling interests	-	-	(223,304)	(223,304)
Gains on remeasurements of defined benefit plans	-	-	412	412
Balance on December 31, 2025	**$ 156,445**	**30,763**	**4,212,169**	**4,399,377**
Balance on January 1, 2024	$ (160,089)	49,704	3,904,693	3,794,308
Profit attributable to non-controlling interests	-	-	325,806	325,806
Exchange differences on foreign operations	281,052	-	51,829	332,881
Unrealized losses on financial assets measured at FVOCI	-	(19,315)	(118)	(19,433)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(293)	(293)
Cash capital increase by non-controlling interests	-	-	3,000	3,000
Cash dividends paid to non-controlling interests	-	-	(204,572)	(204,572)
Gains on remeasurements of defined benefit plans	-	-	591	591
Balance on December 31, 2024	**$ 120,963**	**30,389**	**4,080,936**	**4,232,288**

(v) Earnings per share

The Group'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**

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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	For the Years Ended December 31	
	2025	**2024**
Diluted earnings per share		
Profit attributable to owners of the parent	$ 411,117	1,195,191
Effect of potential diluted ordinary shares		
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**

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Year Ended December 31, 2025			
	Metal Manufacturing Segment	**Real Estate Development Segment**	**Lifestyle Innovation Segment**	**Total**
Major geographic markets:				
Taiwan	$ 280,965	4,194,351	1,437,401	5,912,717
United States	1,798,911	-	-	1,798,911
Japan	1,537,156	-	-	1,537,156
China	4,865,936	-	-	4,865,936
Europe	703,088	-	-	703,088
South America	48,895	-	-	48,895
Others	544,656	-	-	544,656
	$ 9,779,607	**4,194,351**	**1,437,401**	**15,411,359**
Major product/service lines:				
Iron casting hardware	$ 9,752,285	-	-	9,752,285
Construction	-	4,183,478	-	4,183,478
Counter commissions	-	-	491,423	491,423
Accommodation and meals	-	-	747,240	747,240
Others	27,322	10,873	198,738	236,933
	$ 9,779,607	**4,194,351**	**1,437,401**	**15,411,359**

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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	For the Year Ended December 31, 2024			
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Innovation Segment	Total
Major geographic markets:				
Taiwan	$ 334,886	7,518,428	762,383	8,615,697
United States	1,761,278	-	-	1,761,278
Japan	1,426,192	-	-	1,426,192
China	5,044,084	-	-	5,044,084
Europe	540,490	-	-	540,490
South America	70,757	-	-	70,757
Others	561,351	-	-	561,351
	$ 9,739,038	**7,518,428**	**762,383**	**18,019,849**
Major product/service lines:				
Iron casting hardware	$ 9,712,233	-	-	9,712,233
Construction	-	7,502,427	-	7,502,427
Counter commissions	-	-	460,503	460,503
Accommodation and meals	-	-	208,853	208,853
Others	26,805	16,001	93,027	135,833
	$ 9,739,038	**7,518,428**	**762,383**	**18,019,849**

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable	$ 3,164,804	3,095,259	3,664,662
Less: Loss allowance	(18,916)	(25,048)	(4,684)
Accounts receivable due from related parties	148	1,655	5,993
Total	**$ 3,146,036**	**3,071,866**	**3,665,971**
Contract assets–Construction	**$ -**	**1,397**	**-**
Contract liabilities–Advance real estate receipts	$ 4,898,022	3,745,610	4,949,634
Contract liabilities–Advance receipts	62,991	58,214	44,634
Contract liabilities– Construction	20,680	-	-
Total	**$ 4,981,693**	**3,803,824**	**4,994,268**

For the details of accounts receivable and loss allowance, 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 $1,141,590 thousand and $2,727,122 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.

(x) 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.

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(y) 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	$ 79,072	102,424
Interest income from financial guarantee contracts	11,551	11,110
Other interest income	2,379	2,598
Total interest income	**$ 93,002**	**116,132**

(ii) Other income

The information on other income is listed as follows:

	For the Years Ended December 31	
	2025	2024
Rental revenue	$ 17,363	17,996
Dividend income	36,369	30,855
Others	104,910	121,344
Total other income	**$ 158,642**	**170,195**

(iii) Other gains and losses

The information on other gains and losses is listed as follows:

	For the Years Ended December 31	
	2025	2024
Losses on disposal of property, plant and equipment	$ (62,324)	(2,472)
Lease modification gains	-	12
Foreign exchange gains	22,072	50,315
Losses on financial assets at FVTPL	-	(156)
Gains on disposal of investments	46,277	-
Impairment losses	-	(60,259)
Other losses	(1,014)	(11,750)
Net amount of other gains and losses	**$ 5,011**	**(24,310)**

(Continued)

(iv) Finance costs

The information on interest expense is listed as follows:

	For the Years Ended December 31	
	2025	2024
Borrowing interest expense	$ 566,195	569,245
Lease liability interest expense	16,914	18,636
Capitalized interest expense	(185,088)	(197,993)
Bonds interest expense	-	(20,894)
Amortized long term borrowings costs	2,000	1,785
Net amount of finance costs	**$ 400,021**	**370,779**

(z) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

Since the Group 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	$ 23,352,691	6,927,744	4,491,330	4,668,693	7,264,924	-
Lease liabilities	1,250,895	106,773	105,026	203,539	188,346	647,211
Notes and accounts payables (including related parties)	3,349,118	3,349,118	-	-	-	-
Other payables (including related parties)	1,235,189	1,235,189	-	-	-	-
Guarantee deposits received	26,404	6,584	4,486	5,772	6,290	3,272
	$ 29,214,297	**11,625,408**	**4,600,842**	**4,878,004**	**7,459,560**	**650,483**
December 31, 2024						
Non-derivative financial liabilities						
Bank borrowings	$ 22,890,404	6,520,126	2,369,363	5,782,868	8,218,047	-
Bonds payable	259,400	259,400	-	-	-	-
Lease liabilities	1,479,351	111,375	110,108	207,409	373,100	677,359
Notes and accounts payables (including related parties)	3,322,658	3,322,658	-	-	-	-
Other payables (including related parties)	1,808,984	1,808,984	-	-	-	-
Guarantee deposits received	32,119	9,450	4,238	4,748	10,390	3,293
	$ 29,792,916	**12,031,993**	**2,483,709**	**5,995,025**	**8,601,537**	**680,652**

The Group 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 of foreign currency risk

Information on the significant exposure to foreign currency risk of the Group is as follows:

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD:NTD	$ 5,148	31.43	161,812	3,110	32.79	101,976
USD:CNY	37,040	6.98	1,164,177	30,048	7.32	985,260
USD:JPY	2,207	156.52	69,373	1,630	156.22	53,459
EUR:NTD	644	36.90	23,760	799	34.14	27,264
EUR:CNY	7,347	8.20	271,091	5,855	7.62	199,893
JPY:NTD	50,336	0.20	10,108	64,160	0.21	13,467
JPY:CNY	66,444	0.04	13,342	37,552	0.05	7,882
CNY:NTD	105,700	4.50	475,651	1	4.48	3
Financial liabilities						
Monetary items						
USD:CNY	29,004	6.98	911,605	35,277	7.32	1,156,730
EUR:CNY	6,356	8.20	234,523	3,253	7.62	111,047

(Continued)

2) Sensitivity analysis

The Group'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 Group's functional currency as of December 31, 2025 and 2024 would have (decreased) increased the after-tax net income for the years ended December 31, 2025 and 2024 by $8,345 thousand and $971 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

As the Group 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 gains (losses), including both realized and unrealized, amounted to $22,072 thousand and $50,315 thousand, respectively.

(iv) Interest rate risk

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 Group's net income will increase /decrease by $123,029 thousand and $105,986 thousand for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank borrowings.

(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 basis, and other variables considered in the analysis remain the same:

	For the Years Ended December 31			
	2025		2024	
	Other Comprehensive Income (net of tax)	Net Income (Loss) (net of tax)	Other Comprehensive Income (net of tax)	Net Income (Loss) (net of tax)
Increase 10%	$ 19,788	-	21,626	-
Decrease 10%	$ (19,788)	-	(21,626)	-

(vi) Fair value of financial instruments

1) Fair value hierarchy

The Group measured its financial assets and liabilities at FVTPL, and financial assets at FVOCI on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy 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	$ 197,881	-	-	197,881	197,881
Financial assets measured at amortized cost	$ 14,551,486	-	-	-	-
Financial liabilities measured at amortized cost	$ 28,052,939	-	-	-	-

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Non-current financial assets at FVOCI	$ 216,256	-	-	216,256	216,256
Financial assets measured at amortized cost	$ 13,248,738	-	-	-	-
Financial liabilities measured at amortized cost	$ 28,603,503	-	-	-	-

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 Group 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 Group 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	$ 216,256
Total gains or losses Recognized as other comprehensive income	404
Cash capital reduction	(18,779)
Balance on December 31, 2025	**$ 197,881**
Balance on January 1, 2024	$ 192,751
Purchase	42,938
Total gains or losses Recognized as other comprehensive income	(19,433)
Balance on December 31, 2024	**$ 216,256**

The total gains or losses is listed under “unrealized gains (losses) on financial assets at FVOCI”. The information regarding assets held as of December 31, 2025 and 2024 are as follows:

	For the Years Ended December 31	
	2025	2024
Total gains or losses		
Recognized as other comprehensive income (which is listed under "unrealized gains (losses) on financial assets of FVOCI")	$ 404	(19,433)

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

The Group’s major financial instruments that use Level 3 inputs to measure fair value is “financial assets measured at FVOCI – equity investments”.

Most of the Group’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 regarding significant unobservable inputs are 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.
Financial assets at FVOCI equity investments without active market	Dividend discount model	· 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.

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	Net asset value method	· Net asset value	· The estimated fair value would increase, if the net asset value is increased.
Financial assets at FVOCI equity investments without active market	Dividend discount model	· Discounting rate without market liquidity (As of December 31, 2025 and 2024, were both 30%)	· The estimated fair value would decrease, if the discounting rate without market liquidity is increased.

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

The Group' 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 favorable and unfavorable 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.

(aa) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's 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 Group 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 reports to the Board of Directors on its activities.

(iii) Credit risk

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

1) Accounts and other receivables

The exposure of the credit risk depends on each customer. The Group 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 Group'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 are 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) Investments

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

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group' 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 Group's reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group 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 Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the USD, HKD, EUR, JPY and CNY.

The Group held the accounts receivable denominated in foreign currencies other than the respective functional currencies of the Group 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 currencies are the same as the Group' s operating cash flows which mainly are NTD, USD and CNY.

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.

The Group and its subsidiaries did not engage in hedging for their investments.

2) Interest rate risk

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

3) Other market price risk

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

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(ab) 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 Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, other equity and non-controlling interests plus net debt.

As of December 31, 2025, the Group's capital management strategy is consistent with the prior year as of December 31, 2024. The Group'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	$ 34,154,665	33,428,506
Less: Cash and cash equivalents	(5,957,616)	(6,030,407)
Net debt	28,197,049	27,398,099
Total equity	19,284,801	19,416,571
Total capital	**$ 47,481,850**	**46,814,670**
Debt-to-capital ratio	**59.38 %**	**58.52 %**

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

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

(i) Reconciliation of assets arising from financing activities were as follows:

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

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

	January 1, 2025	Cash flows	Non-cash changes Lease Modification	Non-cash changes Foreign exchange fluctuations	December 31, 2025
Right-of-use assets-Land	**$ 1,015,679**	**31,584**	**(113,655)**	**1,558**	**935,166**

(Continued)

	January 1, 2025	Cash flows	Non-cash changes Reclassification	December 31, 2025
Other non-current assets	$ 212,973	176,454	(110,531)	278,896

	January 1, 2024	Cash flows	Non-cash changes Reclassification	December 31, 2024
Other non-current assets	$ 3,212,749	237,663	(3,237,439)	212,973

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

(7) Related-party transactions:

(a) The ultimate parent company

The company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

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

Name of Related Party	Relationship with the Group
The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality)	Joint ventures
CMAAN Health Co., Ltd. (CMAAN Health)	Joint ventures
Hua-Pu Development Co., Ltd. (Hua-Pu Development)	Joint ventures
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associates
ADVANCISION (CAYMAN) Industries Co., Ltd. (ADVANCISION (CAYMAN))	Associate of subsidiaries
Keng-Hsin Urban Renewal Co., Ltd. (Keng-Hsin Urban Renewal)	Associate of subsidiaries
Beyond Fitness Co., Ltd. (Beyond Fitness)	Associate of subsidiaries
Fuzhou Aprec Mechanical and Electrical Co., Ltd. (Fuzhou Aprec)	Subsidiaries of subsidiaries' associates
Advancision Corporation (Advancision)	Subsidiaries of subsidiaries' associates
Chain-Yuan Investment Co., Ltd. (Chain-Yuan Investment)	Other related parties
San Lien Technology Corp. (San Lien Technology)	Other related parties
CMP PUJEN Foundation for Arts and Culture (Foundation)	Other related parties
Hao Bao Investment Co., Ltd. (Hao Bao Investment)	Other related parties
LEESCO Development Co. Ltd. (LEESCO Development) (Note)	Other related parties
Gee Lien Resource Development Corp. (Gee Lien Resource)	Other related parties
Yi-Shi Investment Corporation (Yi-Shi Investment)	Other related parties

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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Name of Related Party	Relationship with the Group
HUA YUN Floral Art Co., Ltd. (HUA YUN Floral Art)	Other related parties
Jhao Hong Investment Co., Ltd (Jhao Hong Investment)	Other related parties
Kemitek Industrial Corp. (Kemitek Industrial)	Other related parties
RUI HUA INVESTMENT CO., LTD. (RUI HUA INVESTMENT)	Other related parties
Lucent Source Co., Ltd. (Lucent Source)	Other related parties
San Lien Foundation for Technology and Education (Foundation)	Other related parties
GALILEE TOURS CO., LTD. (GALILEE)	Other related parties
Taichung City Sports Education Development Foundation (Foundation)	Other related parties
Mr. Ming Shiann, Ho	Other related parties
Mr. Dai Jun, Lin	Other related parties
Ms. Pei Ling, Ho	Other related parties
Ms. Chih Ning, Ho	Other related parties
Ms. Pei Fen, Ho	Other related parties
Mr. Chieh Jen, Cheng	Other related parties
Ms. Ming Chu, Hsieh	Other related parties
Mr. Kuei Chin, Wu	Other related parties
Mr. Ting Fung, Lin	Key Management

Note: Starting from the third quarter of 2025, the company was no longer considered a related party.

(c) Significant transactions with related parties

(i) Sales to related parties

1) The amounts of significant sales transactions and outstanding balance between the Group and related parties are as follows:

	Sales		Notes and Accounts Receivables		Advance receipts (Recognized under contract liabilities)	
	For the Years Ended December 31					
	2025	2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Associates	$ 5,957	9,609	-	996	-	-
Joint ventures	609	1,075	-	-	25	-
Other related parties	7,455	1,460	148	659	4	634
	$ 14,021	**12,144**	**148**	**1,655**	**29**	**634**

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

(Continued)

2) The amounts of significant real estate sales transactions and outstanding balance between the Group and related parties are as follows:

	Revenue recognized For the Years Ended December 31		Advance real estate receipts (Recognized under contract liabilities)	
	2025	2024	December 31, 2025	December 31, 2024
Other related parties	$ 152,171	43,665	8,758	37,376

As of December 31, 2025 and 2024, the total contract price of real estate in contract with related parties mentioned above is $83,120 thousand (tax included) and $145,030 thousand (tax included), repectively. The terms and pricing of sales transactions with related parties were not significantly different from those with the third parties.

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 $30,580 thousand (tax included). As of the reporting date, the contracts have yet to be completed.

(ii) Purchases from related parties

1) The amounts of significant purchases transactions and outstanding balances between the Group and related parties are as follows:

	Purchases For the Years Ended December 31		Notes and Accounts Payable	
	2025	2024	December 31, 2025	December 31, 2024
Associates	$ 77,039	88,612	370	21,664
Joint ventures	48	3,404	2	2
Other related parties	4,763	945	4,654	1,038
	$ 81,850	92,961	5,026	22,704

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

2) The costs of other services or transactions provided by related parties are as follows:

	Costs recognized For the Years Ended December 31	
	2025	2024
Other related parties	$ 58	651

(Continued)

(iii) Leases

1) Rental expenses

The information on office leased by the Group is as follows:

	Rental Expenses	
	For the Years Ended December 31	
	2025	2024
Other related parties	$ 3,764	2,461

	Guarantee Deposit Paid (Recognized under other non-current financial assets)	
	December 31, 2025	December 31, 2024
Other related parties	$ 443	443

2) Rental revenues

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

	Rental Revenues	
	2025	2024
Associates	$ 249	262
Other related parties	60	60
	$ 309	322

	Guarantee Deposit Received (Recognized under other non-current liabilities)	
	December 31, 2025	December 31, 2024
Associates	$ 300	300
Other related parties	2	2
	$ 302	302

(iv) Providing services to related party

The information on providing management consulting and application services to related parties is as follows:

	Service Revenues	
	2025	2024
Associates	$ 19	-
Joint ventures	5,124	5,633
Other related parties	2,142	414
	$ 7,285	6,047

(Continued)

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(v) 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**

The claims mentioned above was recognized in other non-current financial assets, please refer to Note 6(k).

(vi) Guarantees and endorsements

The information on guarantees and endorsements of financing quotas and actual usage is as follows:

	Borrowing Limits	
	December 31, 2025	**December 31, 2024**
Joint ventures:		
The Splendor Hospitality	$ 1,750,000	1,750,000
Others	10,000	10,000
	$ 1,760,000	**1,760,000**

	Actual Usage Amount	
	December 31, 2025	**December 31, 2024**
Joint ventures:		
The Splendor Hospitality	$ 1,425,000	1,450,000
Others	-	10,000
	$ 1,425,000	**1,460,000**

(vii) Guarantee for bank borrowings

The Group didn't pay any guarantee fee to related parties as a guarantor.

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(viii) Construction

The information on acquisitions of assets (including capitalized costs from development projects, which was recognized under property, plant and equipment and other non-current assets) is as follows:

	For the Years Ended December 31	
	2025	2024
Other related parties	$ -	745

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

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

(ix) Other transactions

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

	Donation	
	2025	2024
Other related parties:Foundation	$ 18,668	22,500

2) The information on other services or transactions provided by related parties is as follows:

	Other Expenses	
	For the Years Ended December 31	
	2025	2024
Associates	$ 5	462
Joint ventures	300	283
Other related parties	166	338
	$ 471	1,083

3) The amounts on revenues from providing guarantees and endorsements to related parties is as follows:

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

(Continued)

4) Other receivables and advance payments from related parties

	Other Receivables (including advance payments)	
	December 31, 2025	December 31, 2024
Associates	$ 3,497	52
Joint ventures	23	10
Other related parties:LEESCO Development	-	4,163
Other related parties	13	135
	$ 3,533	**4,360**

5) Other payables and advance receipts from related parties

	Other Payables (including advance receipts)	
	December 31, 2025	December 31, 2024
Joint ventures	$ 415	530
Other related parties	1,093	1,685
Key management	102	87
	$ 1,610	**2,302**

6) Prepayments

	Prepayments	
	December 31, 2025	December 31, 2024
Joint ventures	$ 60	-
Other related parties	370	-
	$ 430	**-**

(d) Key management transactions

The compensation of key management is as follows:

	For the Years Ended December 31	
	2025	2024
Short-term employee benefits	$ 206,915	180,250
Post-employment benefits	7,629	6,640
	$ 214,544	**186,890**

(Continued)

(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	$ 1,544,468	1,438,263
Buildings	〃	146,638	213,823
Investment properties	〃	444,401	590,143
Inventories—Land held for development	〃	827,496	3,444,489
Inventories—Construction in progress	〃	11,645,154	9,624,152
Inventories—Buildings and land held for sale	The credit limits of short-term bank borrowings	1,411,600	1,758,377
Other current financial assets	Trusts	2,427,385	1,794,509
Other current and non-current financial assets	Reserve accounts	1,212	2,235
		$ 18,448,354	**18,865,991**

As of December 31, 2025 and 2024, the Group provided 88,181 thousand shares of subsidiaries as collateral for the credit limits of bank borrowings.

(9) Commitments and contingencies

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

(i) The unused standby letters of credit for purchasing machinery and equipment and raw material are as follows:

	December 31, 2025	December 31, 2024
Unused standby letters of credit	**$ 89**	**14**

(ii) The unrecognized contractual commitment from contracts of buildings for future operational use, selling and purchasing of equipment, decorating constructions, and engineering constructions entered into by the Group is as follows:

	December 31, 2025	December 31, 2024
Total contract price	**$ 12,113,775**	**14,056,937**
Total amounts paid under contracts (Note)	**$ 5,751,111**	**7,555,773**

Note: Recognized in "prepayments for equipment and construction in progress", "other non-current assets", "inventory- construction in progress", "property, plant and equipment", "investment properties" and "administrative expenses".

(iii) The Group's total selling price for presale construction projects is as follows:

	December 31, 2025	December 31, 2024
Total contract price	$ 26,809,559	16,687,394
Total amounts received under contracts (recognized under current contract liabilities)	$ 4,898,022	3,745,610

(iv) The Group's purchase contracts of building capacity is as follows:

	December 31, 2025	December 31, 2024
Total contract price	$ 168,748	168,748
Total amounts paid under contracts (recognized under prepayments)	$ 84,374	84,374

(v) The Group's security deposits paid to landlords for joint construction projects is as follows:

	December 31, 2025	December 31, 2024
Security deposits of joint construction projects (recognized under other current and non-current financial assets)	$ 376,997	408,399

(vi) The Group's security deposits for renting real estates is as follows:

	December 31, 2025	December 31, 2024
Security deposits (recognized under other current and non-current financial assets)	$ 106,839	107,170

(vii) The Group's unrecognized contractual commitments for purchasing land is as follows:

	December 31, 2025	December 31, 2024
Total contract price	$ 67,080	67,080
Total amounts paid under contracts (recognized under inventories－ prepayments for land)	$ 60,070	60,070

(viii) The Group's construction contracts and the amount received under the contracts are as follows:

	December 31, 2025	December 31, 2024
Total contract price	$ 227,946	227,946
Total amounts received under contracts	$ 49,008	-

(Continued)

(ix) 1) The Group 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 Group agreed to pay development royalty amounting to $126,000 thousand. As of December 31, 2025 and 2024, the accumulated royalty payments amounted to $126,000 thousand, which was recognized under right-of-use assets. For the year ended 2025, the Group agreed to reduce the future monthly rental, resulting in its the right-of-use asset to decrease by $113,655 thousand.

2) The Group leased a parcel of land to construct several buildings for its hotels. The Group 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 Group shall dismantle the buildings and related facilities, and return the land to the Presbyterian Church in Taiwan.

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

(x) The Group 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 the period 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 Group's guarantees and endorsements for related parties' loans as of December 31, 2025 and 2024.

(ii) Contingencies for the Company and its subsidiary, Sunflower Investment, regarding the stages of Daguangsan tax petition for real estate transaction and non-performing receivables is 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 amounting 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.

Litigant	Issue	Current Status
Sunflower Investment	Since 2011, Sunflower Investment had received several administrative penalties approved by National Tax Bureau of Taipei which arose from the withholding tax, value-added tax, enterprise income tax and undistributed earnings tax of the Daguangsan non-performing receivables. Sunflower Investment has sought administrative remedy for the aforementioned verdict.	National Tax Bureau of Taipei reduced the approved value-added tax and the regarding penalties to the total amount of $564,452 thousand on June 6, 2014, which arose from Daguangsan non-performing receivables. The aforementioned amount had been paid in the amount of $46,174 thousand. Sunflower Investment was dissatisfied with the verdicts and filed the petitions of the review, appeal and administrative litigation, which are being processed by the authority. The administrative litigation was filed against Taipei High Administrative Court on December 24, 2013. In accordance with the Administrative Regulation Article 177, 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, Sunflower Investment assessed the aforementioned possible losses based on the conservative principle and estimate the contingent liabilities. For details of regarding contingencies, please refer to Note 6(q).

(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:

	For the Years Ended December 31					
	2025			2024		
By function / By item	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	857,970	748,991	1,606,961	695,820	768,374	1,464,194
Labor and health insurance	81,013	64,451	145,464	67,237	65,069	132,306
Pension	61,595	44,887	106,482	54,789	46,990	101,779
Remuneration of directors	-	60,346	60,346	-	83,611	83,611
Others	93,318	48,853	142,171	79,911	54,257	134,168
Depreciation	873,063	419,497	1,292,560	753,334	318,375	1,071,709
Amortization	1,065	10,567	11,632	1,185	7,441	8,626

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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 Group:

(i) Loans to other parties:

(In Thousands of NTD)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Ending 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.

Note 5: Intra-group transactions have been eliminated in the consolidated financial statements.

(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	Endorsements and guarantees secured by pledged assets	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

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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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				Highest Percentage of Ownership (%)	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	3.12 %	
The Company	GUANGYUAN Investment Co., Ltd.	-	Non-current financial assets at FVOCI	2,343,750	26,698	3.91 %	26,698	3.91 %	
The Company	DEVELOPMENT Venture Capital Co., Ltd.	-	Non-current financial assets at FVOCI	3,260,000	12,839	4.00 %	12,839	4.00 %	
The Company	Pacific Electric Wire & Cable Co., Ltd.	-	Current financial assets at FVTPL	81,666	-	0.01 %	-	0.01 %	
Sunflower Investment	Fantasystory Inc.	-	Non-current financial assets at FVOCI	415,883	-	19.80 %	-	19.80 %	
Sunflower Investment	il. COM, INC.	-	Non-current financial assets at FVOCI	100,000	-	0.52 %	-	0.52 %	
Sunflower Investment	Longmen I L.P.	-	Non-current financial assets at FVOCI	-	5,702	4.73 %	5,702	4.73 %	
Sunflower Investment	Asia World Engineering & Construction Co., Ltd.	-	Non-current financial assets at FVOCI	6,429,563	60,126	6.43 %	60,126	6.43 %	
Sunflower Investment	Masada Technology Limited Co., Ltd.	-	Non-current financial assets at FVOCI	2,922,600	13,531	2.24 %	13,531	2.60 %	
The Hotel National	Century National Technology Co., Ltd.	-	Non-current financial assets at FVOCI	35,600	-	2.34 %	-	2.34 %	
Atrans Precision	Acore Material Technology Co., Ltd.	-	Non-current financial assets at FVOCI	42,466	-	2.12 %	-	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%	

Note 1: The amount represents revenue from valuation and other service fees for the current period.

Note 2: Intra-group transactions have been eliminated in the consolidated financial statements.

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

(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 2	-	-	-	-
CMW (C.I.)	CMI	Subsidiaries	Accounts receivable due from related parties, other 450,845	Note 2	-	-	-	-
Suzhou CMS	CMH	Affiliates	Accounts receivable due from related parties, other 450,000	Note 2	-	-	-	-

Note1: Intra-group transactions have been eliminated in the consolidated financial statements.

Note2: Balance of loans to other parties.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of NTD)

No. (Note 1)	Name of Company	Name of Counter-party	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Trading Terms	Percentage of the Total Consolidated Revenue or Total Assets (Note 4)
1	CMW (Tianjin)	CMW (C.I.)	2	Operating revenue	1,565,928	180 days	10.16%
3	Suzhou CMS	CMI	2	Operating revenue	685,366	180 days	4.45%
3	Suzhou CMS	Suzhou CMB	3	Operating revenue	30,864	90 days	0.20%
3	Suzhou CMS	CMP (H.K)	2	Operating revenue	87,452	180 days	0.57%
4	Suzhou CMB	CMI	2	Operating revenue	300,985	180 days	1.95%
4	Suzhou CMB	CMB(H.K.)	2	Operating revenue	110,690	180 days	0.72%
4	Suzhou CMB	Suzhou CMS	3	Operating revenue	39,291	90 days	0.25%
5	CMP Lifestyle Hospitality	China Metal Products	2	Operating revenue	90,773	25 days	0.59%
6	CMI	CMJ	3	Operating revenue	12,063	90 days	0.08%
6	CMI	CMAI	3	Operating revenue	10,255	75 days	0.07%
9	CMH	CMW (Tianjin)	3	Operating revenue	95,154	90 days	0.62%
9	CMH	Suzhou CMB	3	Operating revenue	26,298	90 days	0.17%
9	CMH	CMS	3	Operating revenue	28,743	90 days	0.19%
9	CMH	CMW(C.I.)	2	Operating revenue	36,934	90 days	0.24%
10	CMAI(N.A.)	CMAI	2	Operating revenue	55,136	180 days	0.36%
12	PUZHI Construction	PUJEN Land Development	2	Operating revenue	211,050	30 days	1.37%
13	CMP(H.K.)	SIAM SST	3	Operating revenue	68,514	210 days	0.44%
14	CMJ	CMI	3	Operating revenue	12,813	90 days	0.08%
14	CMJ	Qingdao Sourcing Specialists	1	Operating revenue	10,845	90 days	0.07%
0	China Metal Products	Atrans precision	1	Operating revenue	23,868	60~90 days	0.15%
0	China Metal Products	CMJ	1	Operating revenue	13,975	90 days	0.09%
1	CMW (Tianjin)	CMI(C.I.)	2	Accounts receivable due from related parties	1,943,709	180 days	3.64%
2	Tianjin CMT	CMI	2	Accounts receivable due from related parties	298,560	180 days	0.56%
9	CMH	Suzhou CMS	3	Accounts receivable due from related parties	12,527	90 days	0.02%
9	CMH	CMW(Tianjin)	3	Accounts receivable due from related parties	16,230	90 days	0.03%
9	CMH	Suzhou CMB	3	Accounts receivable due from related parties	14,535	90 days	0.03%
9	CMH	CMW (C.I.)	2	Accounts receivable due from related parties	36,492	90 days	0.07%
3	Suzhou CMS	CMI	2	Accounts receivable due from related parties	1,052,027	180 days	1.97%
3	Suzhou CMS	CMB(H.K)	2	Accounts receivable due from related parties	51,342	180 days	0.10%

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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No. (Note 1)	Name of Company	Name of Counter-party	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Trading Terms	Percentage of the Total Consolidated Revenue or Total Assets (Note 4)
3	Suzhou CMS	Suzhou CMB	3	Accounts receivable due from related parties	18,751	90 days	0.04%
4	Suzhou CMB	CMB(H.K.)	2	Accounts receivable due from related parties	77,600	180 days	0.15%
4	Suzhou CMB	CMI	2	Accounts receivable due from related parties	261,558	180 days	0.49%
4	Suzhou CMB	Suzhou CMS	3	Accounts receivable due from related parties	24,278	90 days	0.05%
13	CMP(H.K.)	SIAM SST	3	Accounts receivable due from related parties	55,409	210 days	0.10%
12	PUZHI Construction	PUJEN Land Development	2	Accounts receivable due from related parties	47,235	30 days	0.09%
15	PUJEN Land Development	China Metal Products	2	Accounts receivable due from related parties	11,512	30 days	0.02%
0	China Metal Products	Atrans Precision	1	Accounts receivable due from related parties	12,018	90 days	0.02%
3	Suzhou CMS	CMH	3	Other receivables due from related parties	450,000	-	0.84%
1	CMW(Tianjin)	CMH	3	Other receivables due from related parties	810,000	-	1.52%
6	CMI	CMH	1	Other receivables due from related parties	27,350	-	0.05%
7	CMW(C.I.)	CMI	2	Other receivables due from related parties	450,845	-	0.84%
11	CMAI	Pilot	1	Other receivables due from related parties	25,395	-	0.05%
10	CMAI(N.A.)	CMAI	2	Other receivables due from related parties	18,213	-	0.03%
5	CMP Lifestyle Hospitality	China Metal Products	2	Other receivables due from related parties	13,770	-	0.03%
0	China Metal Products	PUJEN Land Development	1	Other receivables due from related parties	10,040	-	0.02%
8	CMB(H.K.)	Suzhou CMB	1	Other long-term receivables due from related parties	27,518	-	0.05%

Note 1: For the inter-company business relationship and transaction condition in the “Number” column, the labeling method is as follows:
1. Parent company - 0.
2. Subsidiaries – In sequence from 1.

Note 2: Relationship is classified into three types:
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The Group only disclosed the information on sales and accounts receivable with subsidiary and did not give unnecessary details of opposite purchases and accounts payables in this part.

Note 4: The transaction amount is divided by the consolidated operating revenue or the consolidated total assets.

Note 5: Intra-group transactions have been eliminated in the consolidated financial statements.

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

(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			Highest Percentage of Ownership During the Period	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	100.00 %	467,803	466,736	Subsidiaries
The Company	Sunflower Investment	Taiwan	Investing	99,096	99,096	67,013,057	99.01 %	1,110,259	99.01 %	148,730	147,258	Subsidiaries
The Company	Atrans Precision	Taiwan	Vehicle parts processing	247,218	247,218	25,782,134	72.24 %	431,664	72.24 %	37,223	27,489	Subsidiaries
The Company	CMJ	Japan	Cast iron product retailing	4,887	4,887	500	83.33 %	144,577	83.33 %	26,491	22,075	Subsidiaries
The Company	CMAI	Hong Kong	Vehicle parts retailing	24,036	24,036	1,000,000	100.00 %	211,776	100.00 %	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	56.65 %	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 %	-	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	100.00 %	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	100.00 %	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	50.00 %	(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	55.74 %	(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	50.00 %	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	100.00 %	(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	100.00 %	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	100.00 %	(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	100.00 %	(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	15.18 %	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	13.29 %	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 %	-	12.50 %	-	Exempt from disclosure	Investee 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	4.46 %	301,526	Exempt from disclosure	Investee 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	83.27 %	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 %	CNY1,196,991,714	100.00 %	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 %	CNY1,480,788,251	100.00 %	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	100.00 %	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 %	CNY1,427,813,154	100.00 %	CNY 66,288,800	Exempt from disclosure	Subsidiaries of CMI(BVI)
CMAI	CMAI Holding	USA	Investing	USD 8,376,644	USD 8,364,644	10,000	100.00 %	USD 2,883,069	100.00 %	USD 133,019	Exempt from disclosure	Subsidiaries of CMAI
CMAI Holding	Pilot	USA	Assets leasing	USD 8,328,644	USD 8,328,044	-	100.00 %	USD 2,868,218	100.00 %	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	100.00 %	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	100.00 %	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	100.00 %	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)	100.00 %	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)	21.59 %	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	99.99 %	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	31.30 %	(89,986)	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method

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Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2025			Highest Percentage of Ownership During the Period	Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value				
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	50.00 %	(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	70.00 %	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	100.00 %	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	50.00 %	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	36.82 %	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	44.26 %	(84,503)	-	Subsidiaries of the Company

Note : The aforementioned investments have been eliminated in the consolidated financial statements.

(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 held directly or indirectly by the Company	Highest 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%	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%	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%	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%	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%	83.27%	(132,643) (CNY(30,633))	707,043 (CNY157,121)	-	Note 2
Qingdao Sourcing Specialists	Cast iron product retailing	3,143 (USD100)	2	-	-	-	-	4,062 (JPY19,481)	83.33%	83.33%	3,385 (JPY(16,233))	47,908 (JPY238,584)	-	-

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(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.

Note 10: The aforementioned investments have been eliminated in the consolidated financial statements.

(iii) Significant transactions: None.

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(14) Segment information:

(a) General information

The Group divides its business into three reportable segments, which comprised of Metal Manufacturing, Real Estate Development, and Lifestyle Innovation segments. Metal Manufacturing Segment focuses on the casting, manufacturing and selling of cast iron products; Real Estate Development Segment focuses on the developing and selling of residents and commercial buildings; Lifestyle Innovation Segment focus on retailing, amusement park and hotel operating.

The disclosed information is strategic business segments of the Group which provide different products and services. As each of the strategic business segment requires varied techniques and marketing strategies, they should be managed respectively.

(b) Reportable segments' profit or loss, assets, liabilities and their measurement and reconciliation

The Group's operating segments' accounting policies are similar to the ones described in Note 4 "Significant accounting policies". The Group's operating segments' profit or loss is based on operating income before taxes, which is also the basis of performance assessment of the segments. The transactions between the Group's segments are considered as trading with third parties, and are measured at fair value.

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

	For the Year Ended December 31, 2025				
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Innovation Segment	Reconciliation and Elimination	Total
Revenue:					
Revenue from external customers	$ 9,779,607	4,194,351	1,437,401	-	15,411,359
Intersegment revenues	3,270,666	214,956	98,044	(3,583,666)	-
Interest income	104,376	26,807	9,060	(47,241)	93,002
Total revenue	**$ 13,154,649**	**4,436,114**	**1,544,505**	**(3,630,907)**	**15,504,361**
Interest expenses	**$ 156,654**	**21,260**	**42,163**	**(620,098)**	**(400,021)**
Depreciation and amortization	**$ (761,575)**	**(8,137)**	**(448,079)**	**(86,401)**	**(1,304,192)**
Share of profit (loss) of associates and joint ventures accounted for using equity method	**$ 17,023**	**(11,668)**	-	-	**5,355**
Reportable segment profit or loss	**$ 683,820**	**1,187,032**	**(195,228)**	**(691,017)**	**984,607**
Assets：					
Investments accounted for using equity method	**$ 265,795**	**449,323**	-	-	**715,118**
Non-current asset capital expenditure	**$ (430,618)**	**(3,678)**	**(263,471)**	**(17,123)**	**(714,890)**
Reportable segment assets (Note)	**$** -	-	-	-	-
Reportable segment liabilities (Note)	**$** -	-	-	-	-

(Continued)

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	For the Year Ended December 31, 2024				
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Innovation Segment	Reconciliation and Elimination	Total
Revenue:					
Revenue from external customers	$ 9,739,038	7,518,428	762,383	-	18,019,849
Intersegment revenues	2,893,892	16,446	96,718	(3,007,056)	-
Interest income	85,570	29,189	13,565	(12,192)	116,132
Total revenue	**$ 12,718,500**	**7,564,063**	**872,666**	**(3,019,248)**	**18,135,981**
Interest expenses	**$ (161,729)**	**(13,534)**	**(44,338)**	**(151,178)**	**(370,779)**
Depreciation and amortization	**$ (770,385)**	**(7,416)**	**(299,539)**	**(2,995)**	**(1,080,335)**
Share of loss of associates and joint ventures accounted for using equity method	**$ (31,382)**	**(263)**	-	-	**(31,645)**
Reportable segment profit or loss	**$ 420,782**	**1,899,721**	**(279,039)**	**(215,829)**	**1,825,635**
Assets：					
Investments accounted for using equity method	**$ 325,881**	**395,585**	-	-	**721,466**
Non-current asset capital expenditure	**$ (478,653)**	**(4,907)**	**(1,017,178)**	**(81,286)**	**(1,582,024)**
Reportable segment assets (Note)	**$** -	-	-	-	-
Reportable segment liabilities (Note)	**$** -	-	-	-	-

Note: The amount of assets and liabilities of the Group's reportable segments was not provided to the management. It is not required for disclosure.

(c) The information of product and service

The segmentation of the Group's reportable segments is based on their product and service. The information regarding external customer transactions is disclosed in the table above.

(d) Geographic information

In presenting information on the basis of geography, segment assets are categorized based on the geographical location of the assets. The geographical information for the years ended December 31, 2025 and 2024 is as follows:

	For the Years Ended December 31	
Geographical information	**2025**	**2024**
Non-current assets:		
Taiwan	$ 10,771,336	11,248,788
United States	72,901	78,030
Japan	1,081	272
China	5,117,044	5,490,466
Others	397,160	401,903
Total	**$ 16,359,522**	**17,219,459**

(e) Information on major customers

	For the Years Ended December 31	
	2025	**2024**
Customer A from metal manufacturing segment	**$ 1,467,575**	**1,593,325**