Pou Chen Corporation

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

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Opinion

We have audited the accompanying parent company only financial statements of Pou Chen Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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

Impairment Assessment on Goodwill - Investments Accounted for Using the Equity Method

As described in Notes 4, 5, 13 and Table 5 of Note 32 to the parent company only financial statements, any excess of investment cost over the fair value of the investee's net identifiable assets is recognized as goodwill. Management shall perform impairment test on goodwill on a regular basis in accordance with IAS 36.

Management evaluated the abovementioned assets for impairment based on their recoverable amounts. The recoverable amounts are determined according to the forecast of the trading performance and future cash flows and the discount rate. The test of impairment involves significant judgments and estimations made by management. As a result, we considered the impairment of goodwill on investments accounted for using the equity method as a key audit matter to the financial statements for the year ended December 31, 2025.

In response to this key audit matter, we evaluated the reasonableness of the significant assumptions, the basis of the valuation model, the reasonableness of the basic information, and the appropriateness of impairment.

Other Matter

Certain investments accounted for using the equity method in the Company's financial statements for the years ended December 31, 2025 and 2024 were based on the financial statements audited by other independent auditors. Our opinion, insofar as it relates to the Company's investments in certain corporations, is based solely on the reports of other auditors. As of December 31, 2025 and 2024, the carrying amounts of the investments were $51,955,458 thousand and $51,249,280 thousand, which constituted 26.00% and 26.30% of the Company's total assets, respectively. For the years ended December 31, 2025 and 2024, the profit of the associate that the Company recognized amounted to $4,971,342 thousand and $7,636,957 thousand, which constituted 36.42% and 43.78% of the income before income tax, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ker-Chang Wu and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2026

Notice to Readers

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

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

POU CHEN CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 170,715	-	$ 448,335	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	35,537	-	65,950	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	8,362,616	4	8,102,735	4
Financial assets at amortized cost - current (Notes 4 and 9)	4,500	-	-	-
Notes receivable (Notes 4 and 10)	6	-	420	-
Accounts receivable (Notes 4 and 10)	7,194	-	22,019	-
Accounts receivable from related parties (Notes 4, 10 and 29)	1,336,798	1	1,543,814	1
Other receivables (Notes 4 and 10)	43,081	-	53,387	-
Inventories (Notes 4 and 11)	118,832	-	127,884	-
Other current assets (Notes 4 and 12)	26,312	-	40,280	-
Total current assets	10,105,591	5	10,404,824	5
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	42,730	-	46,136	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	94,290	-	98,355	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	181,592,597	91	176,162,403	91
Property, plant and equipment (Notes 4 and 14)	4,245,164	2	4,358,807	2
Right-of-use asset (Notes 4 and 15)	85,048	-	120,763	-
Investment properties (Notes 4 and 16)	1,846,042	1	1,851,847	1
Intangible assets (Notes 4 and 17)	1,660,842	1	1,667,116	1
Deferred tax assets (Notes 4 and 25)	80,670	-	89,079	-
Other non-current assets (Notes 4 and 12)	52,643	-	44,379	-
Total non-current assets	189,700,026	95	184,438,885	95
TOTAL	$ 199,805,617	100	$ 194,843,709	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 29)	$ 24,357,882	12	$ 25,413,568	13
Short-term bills payable (Note 18)	2,748,388	1	-	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	3,671	-	-	-
Notes payable (Note 19)	993	-	1,204	-
Accounts payable (Note 19)	390,024	-	451,958	-
Accounts payable to related parties (Notes 19 and 29)	36,793	-	36,126	-
Other payables (Notes 20 and 29)	1,507,251	1	1,591,029	1
Current tax liabilities (Note 4)	1,579,482	1	1,290,355	1
Lease liabilities - current (Notes 4 and 15)	33,780	-	35,245	-
Current portion of long-term borrowings (Note 18)	410,326	-	4,013,796	2
Other current liabilities	177,654	-	172,312	-
Total current liabilities	31,246,244	15	33,005,593	17
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	27,393,264	14	20,310,326	11
Deferred tax liabilities (Notes 4 and 25)	86,547	-	86,547	-
Lease liabilities - non-current (Notes 4 and 15)	55,546	-	89,312	-
Net defined benefit liabilities (Notes 4 and 21)	103,217	-	135,611	-
Other non-current liabilities (Note 13)	22,156	-	21,034	-
Total non-current liabilities	27,660,730	14	20,642,830	11
Total liabilities	58,906,974	29	53,648,423	28
EQUITY (Notes 4 and 22)				
Share capital				
Ordinary shares	29,467,872	15	29,467,872	15
Capital surplus	4,527,218	2	4,516,630	2
Retained earnings				
Legal reserve	21,981,944	11	20,344,110	11
Special reserve	58,224,857	29	55,117,885	28
Unappropriated earnings	41,037,782	21	38,724,445	20
Total retained earnings	121,244,583	61	114,186,440	59
Other equity	(14,341,030)	(7)	(6,975,656)	(4)
Total equity	140,898,643	71	141,195,286	72
TOTAL	$ 199,805,617	100	$ 194,843,709	100

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2026)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 29)	$ 8,673,062	100	$ 9,547,132	100
OPERATING COSTS (Notes 11, 21, 24 and 29)	3,707,796	43	4,425,314	46
GROSS PROFIT	4,965,266	57	5,121,818	54
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	35,533	-	40,025	1
General and administrative expenses	2,473,353	28	2,464,530	26
Research and development expenses	1,784,232	21	1,640,924	17
Total operating expenses	4,293,118	49	4,145,479	44
INCOME FROM OPERATIONS	672,148	8	976,339	10
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	54,127	1	22,265	-
Other income (Notes 24 and 29)	495,410	6	478,601	5
Other gains and losses (Note 24)	(152,056)	(2)	774,255	8
Finance costs (Notes 24 and 29)	(819,166)	(10)	(712,268)	(7)
Share of profit of subsidiaries and associates (Notes 4 and 13)	13,399,294	154	15,905,861	167
Total non-operating income and expenses	12,977,609	149	16,468,714	173
INCOME BEFORE INCOME TAX	13,649,757	157	17,445,053	183
INCOME TAX EXPENSE (Notes 4 and 25)	1,581,510	18	1,409,462	15
NET INCOME FOR THE YEAR	12,068,247	139	16,035,591	168
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to income or loss:				
Remeasurement of defined benefit plan (Notes 21 and 25)	15,311	-	76,697	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	272,011	3	160,448	1
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	345,955	4	640,391	7

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POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to income or loss:				
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	$ (7,999,217)	(92)	$ 1,227,925	13
Other comprehensive (loss) income for the year, net of income tax	(7,365,940)	(85)	2,105,461	22
TOTAL COMPREHENSIVE INCOME	$ 4,702,307	54	$ 18,141,052	190
EARNINGS PER SHARE (Note 26)				
Basic	$ 4.10		$ 5.44	
Diluted	$ 4.08		$ 5.43	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2026) (Concluded)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Others	Total Equity
BALANCE ON JANUARY 1, 2024	$ 29,467,872	$ 4,410,292	$ 19,300,806	$ 57,646,766	$ 24,101,997	$ (741,919)	$ 2,433,063	$ (10,429,515)	$ 126,189,362
Appropriation of 2023 earnings (Note 22)									
Legal reserve	-	-	1,043,304	-	(1,043,304)	-	-	-	-
Reversal of special reserve	-	-	-	(2,528,881)	2,528,881	-	-	-	-
Cash dividends	-	-	-	-	(3,241,466)	-	-	-	(3,241,466)
	-	-	1,043,304	(2,528,881)	(1,755,889)	-	-	-	(3,241,466)
Net income for the year ended December 31, 2024	-	-	-	-	16,035,591	-	-	-	16,035,591
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	302,371	6,009,529	(1,742,631)	(2,463,808)	2,105,461
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	16,337,962	6,009,529	(1,742,631)	(2,463,808)	18,141,052
Disposal of associates accounted for using the equity method by subsidiaries	-	-	-	-	33,666	-	(33,666)	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	7,594	-	-	-	-	-	-	7,594
Changes in ownership interests in subsidiaries	-	97,032	-	-	-	-	-	-	97,032
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	6,709	-	(6,709)	-	-
Unclaimed dividends by shareholders	-	1,712	-	-	-	-	-	-	1,712
BALANCE ON DECEMBER 31, 2024	29,467,872	4,516,630	20,344,110	55,117,885	38,724,445	5,267,610	650,057	(12,893,323)	141,195,286
Appropriation of 2024 earnings (Note 22)									
Legal reserve	-	-	1,637,834	-	(1,637,834)	-	-	-	-
Special reserve	-	-	-	3,106,972	(3,106,972)	-	-	-	-
Cash dividends	-	-	-	-	(5,009,538)	-	-	-	(5,009,538)
	-	-	1,637,834	3,106,972	(9,754,344)	-	-	-	(5,009,538)
Net income for the year ended December 31, 2025	-	-	-	-	12,068,247	-	-	-	12,068,247
Other comprehensive (loss) income for the year ended December 31, 2025	-	-	-	-	(6,748)	(3,672,820)	3,574,210	(7,260,582)	(7,365,940)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	12,061,499	(3,672,820)	3,574,210	(7,260,582)	4,702,307
Disposal of associates accounted for using the equity method by subsidiaries	-	-	-	-	7,944	-	(7,944)	-	-
Changes in ownership interests in subsidiaries	-	9,385	-	-	-	-	-	-	9,385
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(1,762)	-	1,762	-	-
Unclaimed dividends by shareholders	-	1,203	-	-	-	-	-	-	1,203
BALANCE ON DECEMBER 31, 2025	$ 29,467,872	$ 4,527,218	$ 21,981,944	$ 58,224,857	$ 41,037,782	$ 1,594,790	$ 4,218,085	$ (20,153,905)	$ 140,898,643

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2026)

POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 13,649,757	$ 17,445,053
Adjustments for:		
Depreciation expense	243,034	265,629
Amortization expense	107,624	102,709
Net gain on fair value changes of financial instruments at FVTPL	(75,223)	(529,879)
Finance costs	819,166	712,268
Interest income	(54,127)	(22,265)
Dividend income	(335,108)	(306,244)
Share of profit of subsidiaries and associates	(13,399,294)	(15,905,861)
Net gain on disposal of property, plant and equipment	(152)	(343)
Loss on modification of lease	262	-
Unrealized (gain) loss on foreign currency exchange	(201,996)	393,482
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	109,124	395,377
Notes receivable	414	(336)
Accounts receivable	14,825	(11,575)
Accounts receivable from related parties	207,016	(88,636)
Other receivables	10,042	(3,254)
Inventories	(6,251)	(57,237)
Other current assets	7,280	3,332
Other operating assets	5,840	16,747
Financial liability held for trading	182	1,330
Notes payable	(211)	(559)
Accounts payable	(61,934)	78,217
Accounts payable to related parties	668	204
Other payables	(52,411)	(42,894)
Other current liabilities	5,342	2,033
Net defined benefit liabilities	(21,371)	(59,150)
Cash generated from operations	972,498	2,388,148
Interest paid	(839,254)	(678,337)
Income tax paid	(1,279,685)	(971,808)
Net cash (used in) generated from operating activities	(1,146,441)	738,003
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(136,151)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	15,536	1,554
Purchase of financial assets at amortized cost	(4,500)	(97,911)
Acquisition of associates and joint ventures	(90,000)	(100,000)
Disposal of associates and joint ventures	1,719	-
Acquisition of property, plant and equipment	(86,780)	(79,323)

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POU CHEN CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Proceeds from disposal of property, plant and equipment	$ 1,449	$ 4,252
Decrease in refundable deposits	242	1,025
Payments for intangible assets	(101,350)	(115,733)
Increase in prepayments for land and equipment	(14,892)	(545)
Interest received	54,377	18,596
Dividends received	750,078	525,671
Net cash generated from investing activities	525,879	21,435
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(849,625)	391,474
Proceeds from short-term bills payable	2,750,000	-
Proceeds from long-term borrowings	170,700,000	142,060,000
Repayments of long-term borrowings	(167,213,796)	(139,653,796)
Decrease in guarantee deposits	(342)	-
Repayments of principal portion of lease liabilities	(34,960)	(35,441)
Cash dividends	(5,009,538)	(3,241,466)
Other financing activities	1,203	1,712
Net cash generated from (used in) financing activities	342,942	(477,517)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(277,620)	281,921
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	448,335	166,414
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 170,715	$ 448,335

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2026) (Concluded)

POU CHEN CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Pou Chen Corporation (the "Company") has main business activities which include the manufacture and sale of various kinds of shoes and the import and export of related products and materials. The Company invests in Yue Yuen Industrial (Holdings) Limited ("Yue Yuen") and other footwear-related companies through Wealthplus Holdings Limited ("Wealthplus"). Yue Yuen and Pou Sheng International (Holdings) Limited ("Pou Sheng"), a subsidiary of Yue Yuen, are listed on the Hong Kong Exchange and Clearing Limited ("HKEx").

In January 1990, the Company started to trade its shares on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 12, 2026.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC) did not have a material impact on the Company's accounting policies.

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

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

1) The impact of IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17) on investments accounted for using the equity method

IFRS 17 governs the recognition, measurement, presentation, and disclosure of insurance contracts and will replace IFRS 4 "Insurance Contracts." IFRS 17 applies to insurance contracts issued by an entity (including reinsurance contracts), reinsurance contracts held, and investment contracts with discretionary participation features issued by the entity (provided that the entity also issues

insurance contracts). IFRS 17 establishes a consistent measurement framework for insurance liabilities, including the General Measurement Model, the Variable Fee Method, and the Premium Allocation Method. The Variable Fee Method applies to insurance contracts with direct participation features. In addition, a group of insurance contracts may elect to apply the Premium Allocation Approach to simplify the measurement of the contract group when certain conditions are met.

Under the General Measurement Model, the amount, timing, and uncertainty of future cash flows of a group of insurance contracts are estimated using current assumptions, and a risk adjustment for non-financial risk is made to reflect the compensation required for bearing uncertainty. The model also considers current market interest rates and the effect of options and guarantees embedded in insurance contracts on cash flows. In addition, the General Measurement Model includes the contractual service margin (CSM), which represents the unearned profit that an entity recognizes as it provides services in the future and is recognized in profit or loss over the coverage period.

IFRS 17 requires entities to allocate insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. Insurance acquisition cash flows paid before the recognition of the related group of insurance contracts shall be recognized as an asset and shall be derecognized when those acquisition cash flows are included in the measurement of the related group of insurance contracts. At the end of each reporting period, an entity shall assess the insurance acquisition cash flow asset for impairment.

In addition, IFRS 17 also specifies the presentation and disclosure of amounts arising from insurance contracts in the balance sheet and the statement of comprehensive income.

Under IFRS 4, the reserves for insurance contracts and financial instruments, regardless of whether they contain discretionary participation features, were established in accordance with the "Regulations Governing the Various Reserves of the Insurance Industry" and certified by appointed actuaries approved by the Financial Supervisory Commission.

The investees accounted for using the equity method, Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. have applied IFRS 17 in accordance with the transition provisions of the accounting treatment. In principle, the above companies adopt the full retrospective approach in applying IFRS 17 retrospectively; however, if full retrospective application is impracticable, the modified retrospective approach or the fair value approach may be elected.

Under the full retrospective approach, the above companies identify, recognize, and measure each group of insurance contracts as of January 1, 2025 as if IFRS 17 had always been applied. Under the modified retrospective approach, the companies use reasonable and verifiable information to achieve results as close as possible to those of full retrospective application. Under the fair value approach, the companies also use reasonable and verifiable information and determine the contractual service margin or the loss component of the remaining coverage liability at that date based on the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured on January 1, 2025.

Prior to the application of IFRS 17, in order to reduce the impact and differences arising from the earlier effective date of IFRS 9 compared with IFRS 17, the above companies elected to apply the overlay approach to designated financial assets. Upon the application of IFRS 17, the overlay approach will be discontinued.

Reclassification of financial assets

At the date of initial application of IFRS 17, an entity that has applied IFRS 9 may reclassify financial assets that meet the criteria set out in paragraph C29 of IFRS 17. The entity is not required to restate comparative information to reflect such reclassifications; any difference between the carrying amount of these financial assets before reclassification and their carrying amount at the date of initial application shall be recognized in opening retained earnings (or other appropriate equity) at that date. If the entity restates comparative information, the restated information must reflect the requirements of IFRS 9 for the affected financial assets.

Additionally, for entities that applied IFRS 9 before the initial application of IFRS 17, financial assets that were derecognized during the comparative period as of the IFRS 17 transition date may, on an individual asset basis, be subject to the classification overlay, as if those financial assets had been reclassified in accordance with the reclassification provisions of paragraph C29 of IFRS 17 during the comparative period.

The investees accounted for using the equity method, Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. will retrospectively restate the comparative financial statements for 2025 in accordance with the effective date and transition provisions of IFRS 17. For contracts issued in or before 2023, as all necessary historical data for existing products cannot be obtained, the fair value approach will be applied in accordance with the transition provisions.

The application of IFRS 17 by the above companies will increase the Company's net restated equity by approximately NT$6,400 million as of January 1, 2025 and decrease it by approximately NT$5,700 million as of January 1, 2026. These adjustments mainly reflect the net impact that insurance reserves previously recognized under IFRS 4 by Nan Shan Life Insurance Co., Ltd. did not consider the effects of current discount rates, as well as significant changes in the measurement of fulfilment cash flows under IFRS 17. In addition, the value of business acquired recognized at the time of acquisition will be derecognized. Such value of business acquired was previously measured in accordance with IFRS 4 as the difference between the liabilities measured under the insurer's accounting policies for insurance contracts issued and the fair value of the insurance contract rights acquired and insurance obligations assumed. The aforementioned effects are reflected in the Company's investments accounted for using the equity method, retained earnings, and other equity. The preparation of comparative information under IFRS 17 for 2025 is progressing as scheduled.

2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

a) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

b) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the amendments on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

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

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

   - To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

   - The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

   - Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

   - Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

   - The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

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

4. SUMMARY OF MATERIAL SIGNIFICANT ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries, associates and joint ventures in other countries or currencies used are different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

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

e. Inventories

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

f. Investment in subsidiaries

Subsidiaries are the entities controlled by the Company. Investments in subsidiaries are accounted for by the equity method.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

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

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

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Under the equity method, investment in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

h. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits;

e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

f) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Derecognition of intangible assets

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

k. Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value. Any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28 to the financial statements: Financial Instruments.

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Company considers the situations that internal or external information shows that the debtor is unlikely to pay its creditors as indication that a financial asset is in default (without taking into account any collateral held by the Company):

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. The cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL. Fair value is determined in the manner described in Note 28 to the financial statements.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including exchange rate swap contracts, cross-currency swap contracts, interest rate swap contracts and exchange rate options contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

m. Revenue recognition

1) Revenue from the sale of goods

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

The Company's revenue from the sale of goods comes from footwear sales. Sales of products are recognized as revenue when the goods are delivered according to the customer's trading conditions because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

2) Rendering of services

Service income is recognized when services are provided. Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

3) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

n. Leases

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

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

o. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized when the Company can no longer withdraw the offer of the termination benefit.

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

The company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Investments Accounted for Using the Equity Method

The Company immediately recognizes impairment losses on its net investment accounted for using the equity method when there is any indication that the investment may be impaired and the carrying amounts may not be recoverable. The Company's management evaluates the impairment based on the estimated future cash flow expected to be generated by the investment. The Company also takes into consideration the market conditions and industry development to evaluate the appropriateness of the relevant assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	$ 346	$ 365
Checking accounts and demand deposits	170,069	89,286
Cash equivalents (investments with original maturities of less than three months or less)		
Time deposits	300	358,684
	$ 170,715	$ 448,335

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2025	2024
Financial assets mandatorily as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Exchange rate swap contracts (a)	$ 35,537	$ 65,950
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Exchange rate swap contracts (a)	$ 1,789	$ -
Exchange rate option contracts (b)	1,882	-
	$ 3,671	$ -

a. At the end of the year, outstanding exchange rate swap contracts not under hedge accounting were as follows:

December 31, 2025

Notional Amount (In Thousands)	Maturity Date	Rate
US$ 151,000	2026.11-2026.12	US$:NT$ 30.2300-30.8340
RMB 43,760	2026.03	RMB:NT$ 4.2585

December 31, 2024

Notional Amount (In Thousands)	Maturity Date	Rate
US$ 115,700	2025.01-2025.06	US$:NT$ 31.9390-32.6420
RMB 1,437,760	2025.03-2025.09	RMB:NT$ 4.3004-4.4261

b. At the end of the year, outstanding exchange rate option contracts not under hedge accounting were as follows:

December 31, 2025

Notional Amount (In Thousands)		Maturity Date		Rate
US$	16,100	2026.01	US$:NT$	31.7500-31.9000

The Company entered into exchange rate option contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
Current		
Domestic investments		
Listed shares	$ 8,362,616	$ 8,102,735
Non-current		
Domestic investments		
Unlisted shares	$ 42,730	$ 46,136

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Domestic investments		
Time deposits with original maturities of more than three months	$ 4,500	$ -
Non-current		
Domestic investments		
Bonds	$ 94,290	$ 98,355

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2025	2024
Notes receivable		
At amortized cost		
Notes receivable - operating	$ 6	$ 420
Accounts receivable (including related parties)		
At amortized cost		
Gross carrying amount	$ 1,343,992	$ 1,565,833
Other receivables (including related parties)		
Tax refund receivables	$ 4,791	$ 5,971
Others	38,290	47,416
	$ 43,081	$ 53,387

a. Notes receivable

The notes receivable balances on December 31, 2025 and 2024 were not past due.

b. Accounts receivable

The Company use simplified practice of IFRS 9 to measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position. As the Company's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of trade receivables.

December 31, 2025

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	$ 910,368	$ 398,718	$ 34,906	$ 1,343,992
Loss allowance (lifetime ECLs)	-	-	-	-
Amortized cost	$ 910,368	$ 398,718	$ 34,906	$ 1,343,992

December 31, 2024

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	$ 1,032,833	$ 494,918	$ 38,082	$ 1,565,833
Loss allowance (lifetime ECLs)	-	-	-	-
Amortized cost	$ 1,032,833	$ 494,918	$ 38,082	$ 1,565,833

11. INVENTORIES

	December 31	
	2025	2024
Raw materials	$ 69,725	$ 85,242
Supplies	3,013	510
Work in progress	29,711	23,220
Finished goods	10,778	13,025
Merchandise	5,605	90
Inventory in transit	-	5,797
	$ 118,832	$ 127,884

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were $3,707,796 thousand and $4,425,314 thousand, respectively.

The cost of goods sold, including write-down of inventory and gain from price recovery of inventory, for the years ended December 31, 2025 and 2024 was $9,297 thousand and $(923) thousand, respectively. The gain from price recovery is the outcome of stock clearance.

12. OTHER ASSETS

	December 31	
	2025	2024
Current		
Prepayments	$ 23,194	$ 35,207
Supplies inventory	1,834	1,561
Temporary payments	1,215	713
Value-added tax retained	69	2,799
	$ 26,312	$ 40,280
Non-current		
Prepayments	$ 32,425	$ 33,572
Prepayments for land	14,427	-
Prepayments for equipment	465	545
Refundable deposits	326	568
Others	5,000	9,694
	$ 52,643	$ 44,379

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investments in subsidiaries	$ 130,202,401	$ 125,471,231
Investments in associates	51,390,196	50,691,172
	$ 181,592,597	$ 176,162,403

a. Investments in subsidiaries

	December 31	
	2025	2024
Unlisted companies	$ 130,202,401	$ 125,471,231

At the end of the reporting period, the proportion of ownership and voting rights in subsidiary held by the Company were as follows:

	December 31	
Name of Subsidiary	2025	2024
Wealthplus Holdings Limited	100.00%	100.00%
Win Fortune Investments Limited	100.00%	100.00%
Windsor Entertainment Co., Ltd.	100.00%	100.00%
Pou Shine Investments Co., Ltd.	100.00%	100.00%
Pan Asia Insurance Services Co., Ltd.	100.00%	100.00%
Pro Arch International Development Enterprise Inc.	100.00%	100.00%
Barits Development Corporation	99.49%	99.49%
Pou Yuen Technology Co., Ltd.	97.82%	97.82%
Pou Yii Development Co., Ltd.	15.00%	15.00%
Wang Yi Construction Co., Ltd.	7.82%	7.82%

1) For the information of subsidiaries' nature of business, business location and registered country, please refer to Table 5 Information on investees of Note 31 to the financial statements.

2) The Company holds less than 50% interest in Pou Yii and Wang Yi, but the Company and its subsidiaries hold more than 50% interest in Pou Yii and Wang Yi; therefore, the Company has control over Pou Yii and Wang Yi. Furthermore, the carrying amount of investment in Wang Yi is negative for the years ended December 31, 2025 and 2024. Therefore, the Company recognized $16,475 thousand and $15,011 thousand in "other non-current liabilities", respectively.

b. Investments in associates

	December 31	
	2025	2024
Material associates		
Ruen Chen Investment Holding Co., Ltd.	$ 51,389,811	$ 50,690,791
Associates that are not individually material	385	381
	$ 51,390,196	$ 50,691,172

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights December 31 2025	2024
Ruen Chen Investment Holding Co., Ltd.	20%	20%

a) As of December 10, 2025 and 2024, the Company purchased 9,000 thousand and 10,000 thousand issued ordinary shares at $10 per share for $90,000 thousand and $100,000 thousand, respectively.

b) The summarized financial information below represents amounts shown in the material associate's financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Company for equity accounting purposes.

Ruen Chen Investment Holding Co., Ltd.

	December 31 2025	2024
Assets	$ 5,614,496,301	$ 5,609,426,594
Liabilities	(5,323,193,352)	(5,321,572,377)
Non-controlling interests	(34,057,332)	(34,103,701)
Owners of Ruen Chen	$ 257,245,617	$ 253,750,516
Proportion of the Company	20.00%	20.00%
Equity attributable to the Company	$ 51,449,123	$ 50,750,103
Other adjustments	(59,312)	(59,312)
Carrying amount	$ 51,389,811	$ 50,690,791

	For the Year Ended December 31 2025	2024
Operating revenue	$ 434,830,275	$ 491,276,768
Net income	$ 27,516,969	$ 45,499,395
Other comprehensive net loss	(24,166,970)	(25,986,605)
Total comprehensive net income	$ 3,349,999	$ 19,512,790

2) Associates that are not individually material

Name of Associate	Proportion of Ownership and Voting Rights December 31 2025	2024
Nan Shan Life Insurance Co., Ltd.	0.0001%	0.0001%

a) The Company holds less than 20% interest in Nan Shan Life Insurance Co., Ltd. However, the Company exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Co., Ltd. Therefore, Nan Shan Life Insurance Co., Ltd. is classified as an associate of the Company.

b) The summarized financial information below represents amounts shown in the financial statements of associates that are not individually material which were prepared in accordance with IFRS Accounting Standards adjusted by the Company for equity accounting purposes.

	For the Year Ended December 31	
	2025	2024
The Company's share of:		
Net income	$ 28	$ 43
Other comprehensive net loss	(24)	(26)
Total comprehensive net income	$ 4	$ 17

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

4) For the information of the associate's business location and business item, please refer to Table 5 Information on investees of Note 31 to the financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost								
Balance on January 1, 2024	$ 1,628,664	$ 5,052,467	$ 880,343	$ 102,083	$ 380,650	$ 209,257	$ 174	$ 8,253,638
Additions	-	7,402	44,376	2,976	13,183	8,629	2,432	78,998
Disposals	-	(12,716)	(15,587)	(6,767)	(4,375)	(210)	-	(39,655)
Transfers from prepaid equipment	-	-	7,014	1,543	-	-	-	8,557
Transfers from investment properties	25,077	-	-	-	-	-	-	25,077
Reclassification	-	350	2,116	-	-	140	(2,606)	-
Balance on December 31, 2024	$ 1,653,741	$ 5,047,503	$ 918,262	$ 99,835	$ 389,458	$ 217,816	$ -	$ 8,326,615
Accumulated depreciation								
Balance on January 1, 2024	$ -	$ 2,461,741	$ 738,540	$ 88,781	$ 344,926	$ 171,128	$ -	$ 3,805,116
Disposals	-	(12,716)	(15,574)	(6,331)	(4,259)	(206)	-	(39,086)
Depreciation expenses	-	106,205	53,065	5,587	22,076	14,845	-	201,778
Balance on December 31, 2024	$ -	$ 2,555,230	$ 776,031	$ 88,037	$ 362,743	$ 185,767	$ -	$ 3,967,808
Carrying amount on December 31, 2024	$ 1,653,741	$ 2,492,273	$ 142,231	$ 11,798	$ 26,715	$ 32,049	$ -	$ 4,358,807

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost								
Balance on January 1, 2025	$ 1,653,741	$ 5,047,503	$ 918,262	$ 99,835	$ 389,458	$ 217,816	$ -	$ 8,326,615
Additions	-	516	19,826	25,458	14,860	12,202	977	73,839
Disposals	-	(3,719)	(31,636)	(12,762)	(8,030)	(2,018)		(58,165)
Transfers from prepaid equipment	-	-	545	-	-	-	-	545
Transferred from inventories	-	-	14,580	-	-	724	-	15,304
Transfers to investment properties	-	(33,989)	-	-	-	-	-	(33,989)
Reclassification	-	-	54	-	-	-	(54)	-
Balance on December 31, 2025	$ 1,653,741	$ 5,010,311	$ 921,631	$ 112,531	$ 396,288	$ 228,724	$ 923	$ 8,324,149
Accumulated depreciation								
Balance on January 1, 2025	$ -	$ 2,555,230	$ 776,031	$ 88,037	$ 362,743	$ 185,767	$ -	$ 3,967,808
Disposals	-	(2,692)	(31,491)	(12,649)	(8,030)	(2,018)	-	(56,880)
Depreciation expenses	-	100,261	45,203	6,125	17,463	12,095	-	181,147
Transfers to investment properties	-	(13,090)	-	-	-	-	-	(13,090)
Balance on December 31, 2025	$ -	$ 2,639,709	$ 789,743	$ 81,513	$ 372,176	$ 195,844	$ -	$ 4,078,985
Carrying amount on December 31, 2025	$ 1,653,741	$ 2,370,602	$ 131,888	$ 31,018	$ 24,112	$ 32,880	$ 923	$ 4,245,164

(Concluded)

a. Except for depreciation expenses recognized the Company had neither significant disposal nor impairment of properties in 2025 and 2024.

b. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

Items	Estimated Useful Life
Buildings and improvements	
Main buildings	50-55 years
Elevators	15 years
Machinery and equipment	5-12 years
Transportation equipment	5 years
Office equipment	3-7 years
Other equipment	3-10 years

c. The Company has land with a carrying amount of $56,102 thousand. Due to certain restrictions under the land regulations, ownership of the land has been temporarily transferred to a trustee through a trust agreement, which prohibits the trustee from selling, pledging or hypothecating the property.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Land	$ 50,479	$ 63,857
Buildings	33,280	54,364
Other equipment	1,289	2,542
	$ 85,048	$ 120,763

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 902	$ 66,809
Depreciation charge for right-of-use assets		
Land	$ 14,009	$ 14,062
Buildings	19,921	20,073
Other equipment	1,253	1,149
	$ 35,183	$ 35,284

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 33,780	$ 35,245
Non-current	55,546	89,312
	$ 89,326	$ 124,557

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	1.1%-2.6%	1.1%-2.1%
Buildings	2.1%-2.6%	1.1%-2.1%
Other equipment	1.34%-2.1%	1.34%-2.1%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 179	$ 394
Total cash outflow for leases	$ 36,901	$ 37,317

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

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance on January 1, 2024	$ 1,001,696	$ 1,795,346	$ 2,797,042
Transfers to property, plant and equipment	(25,077)	-	(25,077)
Balance on December 31, 2024	$ 976,619	$ 1,795,346	$ 2,771,965
Accumulated depreciation and impairment			
Balance on January 1, 2024	$ -	$ 891,551	$ 891,551
Depreciation expenses	-	28,567	28,567
Balance on December 31, 2024	$ -	$ 920,118	$ 920,118
Carrying amount on December 31, 2024	$ 976,619	$ 875,228	$ 1,851,847
Cost			
Balance on January 1, 2025	$ 976,619	$ 1,795,346	$ 2,771,965
Transferred from property, plant and equipment	-	33,989	33,989
Balance on December 31, 2025	$ 976,619	$ 1,829,335	$ 2,805,954
Accumulated depreciation and impairment			
Balance on January 1, 2025	$ -	$ 920,118	$ 920,118
Depreciation expenses	-	26,704	26,704
Transferred from property, plant and equipment	-	13,090	13,090
Balance on December 31, 2025	$ -	$ 959,912	$ 959,912
Carrying amount on December 31, 2025	$ 976,619	$ 869,423	$ 1,846,042

a. Except for depreciation expenses recognized, the Company had neither significant disposal nor impairment of properties in 2025 and 2024.

b. The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2025 and 2024 was as follows:

	December 31	
	2025	2024
Year 1	$ 133,004	$ 66,906
Year 2	127,508	30,089
Year 3	126,237	24,593
Year 4	122,294	23,322
Year 5	122,673	17,964
Year 6 onwards	186,753	64,891
	$ 818,469	$ 227,765

c. The above items of investment properties are depreciated on a straight-line method over the estimated useful life of the asset:

Items	Estimated Useful Life
Buildings	
Main buildings	50-55 years
Elevators	15 years

d. Instead of being valued by any independent valuer, the management of the Company used the valuation model that market participants often use to determine the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices of similar properties. The fair value as appraised was as follows:

	December 31	
	2025	2024
Investment property	$ 3,813,002	$ 3,400,343

17. INTANGIBLE ASSETS

	2025	2024
Cost		
Balance on January 1	$ 2,066,069	$ 1,950,336
Acquisitions	101,350	115,733
Balance on December 31	$ 2,167,419	$ 2,066,069
Accumulated amortization and impairment		
Balance on January 1	$ 398,953	$ 296,244
Amortization expenses	107,624	102,709
Balance on December 31	$ 506,577	$ 398,953
Carrying amount on December 31	$ 1,660,842	$ 1,667,116

The abovementioned items of other intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

Items	Estimated Useful Life
Computer software	7-20 years

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Unsecured borrowings		
Bank loans	$ 19,611,952	$ 15,378,011
Loans to related parties	4,745,930	10,035,557
	$ 24,357,882	$ 25,413,568

The range of effective interest rates on New Taiwan dollar and U.S. dollar ~~on~~ bank borrowings was 1.35%-1.95% and 1.68%-1.95% per annum as of December 31, 2025 and 2024, respectively.

The effective interest rate of the RMB dollar and U.S. dollar on related-party borrowings from the subsidiaries was 0% as of December 31, 2025 and 2024.

b. Short-term bills payable

At the end of the reporting period, outstanding short-term bills payable were as follows:

December 31, 2025

	Properties	Annual Interest Rate	Amount
Commercial papers	Unsecured	1.54%	$ 2,750,000
Less: Unamortized discount on bills payable			(1,612)
			$ 2,748,388

c. Long-term borrowings

	December 31	
	2025	2024
Unsecured borrowings		
Bank loans	$ 19,410,326	$ 21,474,122
Long-term bills payable	8,393,264	2,850,000
Less: Current portion	(410,326)	(4,013,796)
	$ 27,393,264	$ 20,310,326

Maturity dates and ranges of annual interest rates:

	December 31	
	2025	2024
Maturity date		
Long-term borrowings	2027.01.19-2029.03.12	2026.01.15-2029.03.12
Current portion of long-term borrowings	2026.01.15-2026.12.30	2025.01.15-2025.11.14
Range of interest rates	1.75%-2.03%	1.75%-2.18%

The Company's commercial paper will be due in 12 months after issuance. At the end of the reporting period, the Company did not have the right to defer settlement of the liability for at least 12 months after that date. In accordance with the Q&A issued by the FSC, the commercial papers shall be classified as current liabilities. In accordance with the Q&A issued by the FSC, the Company applies the above classification requirement to commercial paper issued on or after December 31, 2025. Commercial paper issued before December 31, 2025 continues to be classified as non-current liabilities.

19. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31	
	2025	2024
Notes payable		
Operating	$ 692	$ 661
Non-operating	301	543
	$ 993	$ 1,204
Accounts payable (including related parties)	$ 426,817	$ 488,084

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES

	December 31	
	2025	2024
Payables for salaries	$ 482,570	$ 317,591
Payables for purchase of property, plant and equipment	4,147	17,087
Compensation due to directors and supervisors	111,883	142,992
Employee compensation payables	316,301	520,311
Interest payables	90,481	108,906
Payables for annual leave	133,171	135,819
Others	368,698	348,323
	$ 1,507,251	$ 1,591,029

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

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

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 1,193,179	$ 1,211,351
Fair value of plan assets	(1,089,962)	(1,075,740)
Net defined benefit liabilities	$ 103,217	$ 135,611

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance on January 1, 2024	$ 1,222,701	$ (963,093)	$ 259,608
Current service cost	4,480	-	4,480
Net interest expense (income)	15,284	(12,137)	3,147
Others	(98)	-	(98)
Recognized in profit or loss	19,666	(12,137)	7,529

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (88,880)	$ (88,880)
Actuarial gain arising from changes in financial assumptions	(721)	-	(721)
Actuarial loss arising from experience adjustments	24,754	-	24,754
Recognized in other comprehensive loss (income)	24,033	(88,880)	(64,847)
Contributions from the employer	-	(66,751)	(66,751)
Benefits paid	(55,121)	55,121	-
Others	72	-	72
Balance on December 31, 2024	$ 1,211,351	$ (1,075,740)	$ 135,611
Balance on January 1, 2025	$ 1,211,351	$ (1,075,740)	$ 135,611
Current service cost	3,180	-	3,180
Net interest expense (income)	18,170	(16,256)	1,914
Others	(69)	-	(69)
Recognized in profit or loss	21,281	(16,256)	5,025
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(75,507)	(75,507)
Actuarial loss arising from changes in financial assumptions	27,489	-	27,489
Actuarial loss arising from experience adjustments	36,995	-	36,995
Recognized in other comprehensive loss (income)	64,484	(75,507)	(11,023)
Contributions from the employer	-	(16,169)	(16,169)
Benefits paid	(93,710)	93,710	-
Others	(10,227)	-	(10,227)
Balance on December 31, 2025	$ 1,193,179	$ (1,089,962)	$ 103,217

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ 26	$ 40
Selling and marketing expenses	5	6
General and administrative expenses	2,721	4,196
Research and development expenses	2,273	3,287
	$ 5,025	$ 7,529

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2025	**2024**
Discount rate	1.25%	1.50%
Expected rate of salary increase	2.50%	2.50%

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

	December 31	
	2025	**2024**
Discount rate		
0.25% increase	$ (27,489)	$ (28,510)
0.25% decrease	$ 28,422	$ 29,508
Expected rate of salary increase		
0.25% increase	$ 27,593	$ 28,700
0.25% decrease	$ (26,828)	$ (27,873)

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

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ 15,452	$ 15,972
The average duration of the defined benefit obligation	9.4 years	9.6 years

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	4,500,000	4,500,000
Shares authorized	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (in thousands)	2,946,787	2,946,787
Shares issued	$ 29,467,872	$ 29,467,872

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Recognized from issuance of ordinary shares	$ 848,603	$ 848,603
Recognized from conversion of bonds	1,447,492	1,447,492
Recognized from treasury share transactions	1,824,608	1,824,608
Recognized from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	117,231	117,231
May only be used to offset a deficit		
Recognized from the changes in ownership to subsidiaries (Note 2)	133,651	124,266
Recognized from the share of changes in net assets of associates	121,958	121,958
Others	33,675	32,472
	$ 4,527,218	$ 4,516,630

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Note 2: Such capital surplus are the changes in equity transactions recognized from the equity changes of subsidiaries when the Company does not actually receive or dispose of subsidiaries' shares.

c. Retained earnings and dividend policy

Under the dividend policy of the Articles, the Company should make appropriations from the annual net profit in the following order:

1) For paying taxes.

2) For offsetting deficits.

3) For the legal reserve at 10% of the remaining profit, and for the special reserve to be appropriated and distributed according to regulations or upon request by the FSC.

4) The total of any remaining profit after the appropriations mentioned above plus any accumulated unappropriated earnings from prior years may be partially retained and then the remainder distributed as proposed according to the share ownership proportion.

The board of directors proposes an earnings distribution in the form of new shares shall be approved following the resolution of the shareholders' meetings. Distribution of dividends and bonuses or distribution of the legal reserve and capital surplus in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the shareholders' meeting.

For information about the accrual basis of the compensation of employees and remuneration of directors and the actual appropriations, please refer to Note 24 (h) to the financial statements.

In accordance with the "Articles", profit may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. The distribution of profit shall be proposed by the board of directors, and submitted to the shareholders' meeting for approval. The ratio of distribution shall be no less than 30% of the net profit for each fiscal year, and the proportion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profit.

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

The appropriations of earnings for 2024 and 2023 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	$ 1,637,834	$ 1,043,304
Special reserve	$ 3,106,972	$ (2,528,881)
Cash dividends	$ 5,009,538	$ 3,241,466
Dividends per share (NT$)	$ 1.70	$ 1.10

The above 2024 and 2023 appropriations for cash dividends were resolved by the Company's board of directors on April 17, 2025 and April 15, 2024, respectively; the other proposed appropriations were resolved by the shareholders at their meeting on May 29, 2025 and May 31, 2024.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 55,117,885	$ 57,646,766
(Reversals) appropriations in respect of		
Change in the fair value of the financial assets reclassified	4,869,687	10,056,342
Reversal of the debits to other equity items	(1,762,715)	(12,585,223)
Balance on December 31	$ 58,224,857	$ 55,117,885

The Company's associate, Nan Shan Life Insurance Co., Ltd., is an insurance company, and on October 1, 2022, Nan Shan Life Insurance Co., Ltd. reclassified the financial assets at fair value through other comprehensive income to financial assets at amortized cost. In accordance with Rule No. 11104942741 issued by the Insurance Bureau of the FSC, Nan Shan Life Insurance Co., Ltd. shall appropriate its earnings as a special reserve. When distributing the distributable retained earnings, the Company shall appropriate as a special reserve with the amount of changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Co., Ltd. based on the Group's shareholding percentage of Nan Shan Life Insurance Co., Ltd. If there is a reversal in the changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance Co., Ltd. subsequently, the appropriated special reserve may be reversed based on the Group's shareholding percentage of Nan Shan Life Insurance Co., Ltd. and is thereafter distributed. The balance of the special reserve appropriated or reversed by the Group shall not exceed the carrying amount of the Company's investment in Nan Shan Life Insurance Co., Ltd. Therefore, the Company appropriated a special reserve of $4,869,687 thousand and $10,056,342 thousand, respectively, in accordance with the above provision. The Company reversed and appropriated a special reserve of $1,762,715 thousand and $12,585,223 thousand, respectively, due to debits to other equity items. A total special reserve of $3,106,972 thousand and $(2,528,881) thousand, respectively, were resolved by the shareholders in their meeting on May 29, 2025 and May 31, 2024.

e. Other equity item

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ 5,267,610	$ (741,919)
Share of exchange differences of subsidiaries and associates accounted for using the equity method	(3,672,820)	6,009,529
Balance on December 31	$ 1,594,790	$ 5,267,610

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ 650,057	$ 2,433,063
Unrealized gain from equity instruments	272,011	160,448
Cumulative unrealized gain (loss) on equity instruments transferred to retained earnings due to disposal	1,762	(6,709)
Disposal of associates accounted for using the equity method	(7,944)	(33,666)
Share of gain (loss) from associates and joint ventures accounted for using the equity method	3,302,199	(1,903,079)
Balance on December 31	$ 4,218,085	$ 650,057

3) Others

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (12,893,323)	$ (10,429,515)
Share of loss from associates and joint ventures accounted for using the equity method	(7,260,582)	(2,463,808)
Balance on December 31	$ (20,153,905)	$ (12,893,323)

23. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from the sale of goods	$ 4,505,326	$ 5,219,921
Revenue from the rendering of services	4,167,736	4,327,211
	$ 8,673,062	$ 9,547,132

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

a. Interest income

	For the Year Ended December 31	
	2025	2024
Interest income		
Cash in bank	$ 46,948	$ 18,555
Repurchase agreements collateralized by bonds	1,736	86
Financial assets at amortized cost	5,443	3,624
	$ 54,127	$ 22,265

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income (Note 29)		
Rental income from operating lease		
Investment properties	$ 136,744	$ 134,383
Others	12,911	13,410
	149,655	147,793
Dividends income	335,108	306,244
Others	10,647	24,564
	$ 495,410	$ 478,601

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net gain on disposal of property, plant and equipment	$ 152	$ 343
Net foreign exchange (loss) gain	(182,775)	284,384
Net gain on financial assets at FVTPL	78,712	321,664
Net (loss) gain on financial liabilities at FVTPL	(3,489)	208,215
Others	(44,656)	(40,351)
	$ (152,056)	$ 774,255

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank borrowings	$ 726,486	$ 653,792
Interest on short-term bills payable	90,815	56,897
Lease liabilities (Note 29)	1,762	1,483
Other interest expense	103	96
	$ 819,166	$ 712,268

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	$ 181,147	$ 201,778
Investment properties	26,704	28,567
Right-of-use assets	35,183	35,284
Intangible assets	107,624	102,709
	$ 350,658	$ 368,338
An analysis of depreciation by function		
Operating costs	$ 8,834	$ 7,056
Operating expenses	207,496	230,006
Non-operating expenses	26,704	28,567
	$ 243,034	$ 265,629
An analysis of amortization by function		
Operating expenses	$ 107,624	$ 102,709

f. Direct operating expenses from investment properties

	For the Year Ended December 31	
	2025	2024
Generate rental income	$ 40,505	$ 41,989

g. Employee benefits expense

	2025			2024		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
Salary						
Termination benefits	$ -	$ 29,460	$ 29,460	$ -	$ 9,793	$ 9,793
Remuneration of directors and supervisors	-	117,243	117,243	-	148,332	148,332
Others	18,848	2,591,592	2,610,440	16,947	2,489,158	2,506,105
	18,848	2,738,295	2,757,143	16,947	2,647,283	2,664,230
Labor and health insurance	2,315	236,392	238,707	1,855	230,418	232,273
Post-employment benefit						
Defined contribution plans	1,079	115,917	116,996	923	113,541	114,464
Defined benefit plans	26	4,999	5,025	40	7,489	7,529
	1,105	120,916	122,021	963	121,030	121,993
Other employee benefits	741	49,521	50,262	686	48,031	48,717
Total employee benefits expense	$ 23,009	$ 3,145,124	$ 3,168,133	$ 20,451	$ 3,046,762	$ 3,067,213

As of December 31, 2025 and 2024, there were 2,744 and 2,828 employees in the Company, respectively. Among the Company's directors, there were seven and six who were not employees, respectively. The Company accounts for employee benefits expense based on the number of employees.

As of December 31, 2025 and 2024, the average employee benefits and average salaries and wages were $1,115 thousand, $1,034 thousand, $965 thousand and $892 thousand, respectively. The average salaries and wages increase 8.18%.

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company shall distribute compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees is approved by the board of directors to be distributed by shares or by cash, and the receivers should be those employees who meet certain criteria. In the case of an accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 which were approved by the Company's board of directors on March 12, 2026 and March 12, 2025, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	1.6%	1.6%
Remuneration of directors	0.8%	0.8%

Amount

	For the Year Ended December 31			
	2025		2024	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 223,767	$ -	$ 285,984	$ -
Remuneration of directors	111,883	-	142,992	-

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in the following year.

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

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current period	$ 1,239,619	$ 1,003,396
Income tax expense of unappropriated earnings	328,989	430,287
Income tax with Repatriated Offshore Funds Act	(8,667)	-
Adjustments for prior year's income tax	8,871	(34,206)
	1,568,812	1,399,477
Deferred tax		
In respect of the current period	12,698	9,985
Income tax expense recognized in profit or loss	$ 1,581,510	$ 1,409,462

A reconciliation of accounting profit and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2025	2024
Income before income tax	$ 13,649,757	$ 17,445,053
Income tax expense calculated at the statutory rate	$ 2,729,951	$ 3,489,011
Tax effect of adjusting items		
Tax-exempt income	(67,021)	(61,249)
Investment income recognized under equity method	(1,105,862)	(1,665,944)
Others	(313,418)	(748,437)
Income tax on unappropriated earnings	328,989	430,287
Adjustments for prior years' income tax	8,871	(34,206)
Income tax expense recognized in profit or loss	$ 1,581,510	$ 1,409,462

As the status of 2026 shareholders' meeting regarding the appropriations of earnings is uncertain, the potential income tax consequences of 2025 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year	$ (4,288)	$ (11,850)
Total income tax recognized in other comprehensive income	$ (4,288)	$ (11,850)

c. Deferred tax assets and liabilities

	December 31	
	2025	2024
Deferred tax assets		
Temporary differences		
Payables for annual leave	$ 26,634	$ 27,163
Defined benefit obligations	35,591	33,537
Others	18,445	28,379
	$ 80,670	$ 89,079
Deferred tax liabilities		
Temporary differences		
Land value increment tax	$ 86,547	$ 86,547

d. Income tax assessments

All of the Company's income tax returns through 2023, except 2022, have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The basic earnings per share and diluted earnings per share were as follows:

	For the Year Ended December 31	
	2025	2024
Net profit (in thousand dollars)		
Earnings used in the computation of earnings per share	$ 12,068,247	$ 16,035,591
Weighted average number of shares outstanding (in thousand shares)		
Weighted average number of common shares used in the computation of basic earnings per share	2,946,787	2,946,787
Effect of potentially dilutive common shares:		
Compensation of employees	8,926	8,922
Weighted average number of common shares used in the computation of diluted earnings per share	2,955,713	2,955,709

(Continued)

	For the Year Ended December 31	
	2025	2024
Earnings per share (in dollars)		
Basic earnings per share	$4.10	$5.44
Diluted earnings per share	$4.08	$5.43

(Concluded)

The Company may settle the compensation paid to employees by cash or shares; therefore, the Company assumes the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. CAPITAL MANAGEMENT

The Company's capital management policy is to ensure that the Company has sufficient financial resources and operating plans to balance the working capital, capital expenditure, research and development expenditure, repayment of debt and dividends paid to shareholders within twelve months.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except those listed in the table below, the Company's management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Bonds	$ 94,290	$ -	$ 94,290	$ -	$ 94,290

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Bonds	$ 98,355	$ -	$ 98,355	$ -	$ 98,355

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

1) The fair value hierarchy is as follows:

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 35,537	$ -	$ 35,537
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 8,362,616	$ -	$ -	$ 8,362,616
Domestic unlisted shares	-	-	42,730	42,730
	$ 8,362,616	$ -	$ 42,730	$ 8,405,346
Financial liabilities at FVTPL				
Derivative financial liabilities (not under hedge accounting)	$ -	$ 3,671	$ -	$ 3,671

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 65,950	$ -	$ 65,950
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 8,102,735	$ -	$ -	$ 8,102,735
Domestic unlisted shares	-	-	46,136	46,136
	$ 8,102,735	$ -	$ 46,136	$ 8,148,871

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

3) There was no reconciliation of Level 3 fair value measurements of financial assets except for changes in fair value recognized in other comprehensive income.

4) The fair value of Level 2 financial assets and financial liabilities is determined as follows:

a) The fair value of financial instruments with standard terms and conditions and traded in active liquid markets is determined with reference to the quoted market prices.

b) The future cash flows of derivatives are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

5) Valuation techniques and assumptions applied for Level 3 fair value measurement is as follows:

The fair values of unlisted shares and funds with no active market is determined using the asset approach, income approach and market approach.

c. Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
Financial assets at FVTPL		
Mandatorily at FVTPL	$ 35,537	$ 65,950
Financial assets at amortized cost (Note 1)	1,656,910	2,166,898
Financial assets at FVTOCI	8,405,346	8,148,871
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	3,671	-
Financial liabilities at amortized cost (Note 2)	56,850,602	51,824,030

Note 1: The balance included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade and other payables, long-term borrowings (including the portion due within one year) and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments included equity investments, receivables, payables and borrowings. The Company's treasury function monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and other derivative instruments. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and the carrying amount of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30 to the financial statements.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company's sensitivity to 5% increase (decrease) in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A positive (negative) number below indicates an increase (decrease) in pre-tax profit with New Taiwan dollars strengthening 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	For the Year Ended December 31	
	2025	**2024**
USD	$ 187,036	$ 115,863
RMB	-	312,118

b) Interest rate risk

The Company was exposed to interest rate risk because it borrowed funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts.

The carrying amounts of the Company's financial liabilities with exposure to interest rates at the end of the reporting periods were as follows.

	December 31	
	2025	**2024**
Cash flow interest rate risk		
Financial liabilities	$ 47,382,278	$ 39,702,134

Sensitivity analysis

The sensitivity analysis below was based on the Company's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1% increase in interest rates, the Company's cash outflows would have increased by $473,823 thousand and $397,021 thousand during the years ended December 31, 2025 and 2024, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. The investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Sensitivity analysis

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

If equity prices had declined by 1%, the other comprehensive income for the year ended December 31, 2025 and 2024 would have decreased by $83,626 thousand and $81,027 thousand as a result of the changes in fair value of financial assets at FVTOCI, respectively.

The Company's sensitivity to equity securities investment has not changed significantly from the previous year.

2) Credit risk

Financial instruments are evaluated for credit risk (which represents the potential loss that would be incurred by the Company if a counterparty or third party were to breach a contract). The risk includes the centralization of credit risk, components, contract figures, and accounts receivable. Besides, the Company requires significant clients to provide guarantees of a credit rating of intermediate or higher issued by a bank so as to effectively reduce its credit risk.

3) Liquidity risk

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

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

The tables have been drawn up based on the undiscounted cash flows of financial liabilities including both interest and principal from the earliest date on which the Company may be required to pay.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 565,471	$ 557,770	$ 828,438	$ -	$ -
Lease liabilities	2,757	6,867	25,281	56,547	-
Floating interest rate liabilities	12,753,449	4,500,000	3,918,829	26,210,000	-
Fixed interest rate liabilities	-	-	6,334,993	1,190,000	-
	$ 13,321,677	$ 5,064,637	$ 11,107,541	$ 27,456,547	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 867,963	$ 397,881	$ 820,497	$ -	$ -
Lease liabilities	2,777	7,412	26,808	82,844	8,564
Floating interest rate liabilities	6,401,461	7,980,000	5,010,347	20,310,326	-
Fixed interest rate liabilities	2,383,469	-	7,652,087	-	-
	$ 9,655,670	$ 8,385,293	$ 13,509,739	$ 20,393,170	$ 8,564

The amounts included above for floating interest rate instruments for non-derivative financial liabilities were subject to change if floating interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Exchange rate swap contracts	$ -	$ -	$ 1,789	$ -	$ -
Exchange rate option contracts	1,882	-	-	-	-
	$ 1,882	$ -	$ 1,789	$ -	$ -

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

Name	Related Party Category
Yue Yuen Industrial (Holdings) Limited	Subsidiary
Barits Development Corporation	Subsidiary
Pan Asia Insurance Services Co., Ltd.	Subsidiary
Pou Yii Development Co., Ltd.	Subsidiary
Pou Shine Investments Co., Ltd.	Subsidiary
Pou Chin Development Co., Ltd.	Subsidiary
Pou Yuen Technology Co., Ltd.	Subsidiary
Song Ming Investments Co., Ltd.	Subsidiary
Wang Yi Construction Co., Ltd.	Subsidiary
Windsor Entertainment Co., Ltd.	Subsidiary
Pro Arch International Development Enterprise Inc.	Subsidiary
Wealthplus Holdings Limited	Subsidiary
Chang Yang Material Corporation	Associate
High Shine Investments Ltd.	Associate
San Fang Chemical Industry Co., Ltd.	Associate
Nan Pao Resins Chemical Co., Ltd.	Associate
Ever Brave Developments Limited Taiwan Branch (British Virgin Islands)	Associate
Innovative Track Limited Taiwan Branch (British Virgin Islands)	Associate
Sonic Zone Limited Taiwan Branch (British Virgin Islands)	Associate
Radiant Lion Limited Taiwan Branch (British Virgin Islands)	Associate
Radiant Ally Holdings Limited, Taiwan Branch (British Virgin Islands)	Associate
Glory Advantage Holdings Limited Taiwan Branch (B.V.I.)	Associate
Ka Te Footwear Material (HK) Limited	Associate
Sheachang Enterprise Corporation	Other related party
Chuan Mou Investments Co., Limited	Other related party
Shun Tai Investments Co., Limited	Other related party

b. Operating revenue

		For the Year Ended December 31	
Account Item	**Related Parties Category**	**2025**	**2024**
Sales and service revenue	Yue Yuen Industrial (Holdings) Limited	$ 8,598,836	$ 9,389,402
	Subsidiaries	7,002	8,449
	Associates	17,864	21,514
		$ 8,623,702	$ 9,419,365

The sales prices and receivable terms to related parties were not significantly different from those of non-related parties.

The Company entered into a technical service agreement with Yue Yuen Industrial Limited. According to the agreement, the service fees that the Company will receive from Yue Yuen are determined by:

1) For products developed by the Company and sold by Yue Yuen Industrial Limited, 0.5% of net sales invoice amounts.

2) For materials, machines and other goods purchased, inspected and arranged for shipment through the Company from Taiwan suppliers, 1% of supplier's invoice amounts.

3) For materials, machines and other goods purchased from Taiwan or overseas directly by Yue Yuen Industrial Limited through sourcing services provided by the Company, 0.5% of the supplier's invoice amounts.

c. Purchases

		For the Year Ended December 31	
Account Item	**Related Party Category/Name**	**2025**	**2024**
Purchases	Yue Yuen Industrial (Holdings) Limited	$ 63,290	$ 40,007
	Subsidiaries	2,559	18
	Associates	148,778	232,538
		$ 214,627	$ 272,563

The purchase prices and payment terms from related parties were not significantly different from those of non-related parties.

d. Receivables from related parties

		December 31	
Account Item	**Related Party Category/Name**	**2025**	**2024**
Accounts receivable	Yue Yuen Industrial (Holdings) Limited	$ 1,333,707	$ 1,540,631
	Subsidiaries	1,211	1,731
	Associates	1,880	1,452
		$ 1,336,798	$ 1,543,814

e. Payables to related parties

		December 31	
Account Item	**Related Party Category/Name**	**2025**	**2024**
Accounts payable	Yue Yuen Industrial (Holdings) Limited	$ 24,214	$ 15,505
	Subsidiaries	1,778	-
	Associates	10,801	20,621
		$ 36,793	$ 36,126

f. Lease arrangements - the Company is lessee

Related Party Category/Name	For the Year Ended December 31 2025	2024
Acquisitions of right-of-use assets		
Pro Arch International Development Enterprise Inc.	$ -	$ 48,499
Pou Yuen Technology Co., Ltd.	-	6,465
Barits Development Corporation	-	2,510
Others	-	6,296
	$ -	$ 63,770

Line Item	Related Party Category/Name	December 31 2025	2024
Lease liabilities	Barits Development Corporation	$ 49,558	$ 59,859
	Pro Arch International Development Enterprise Inc.	28,661	44,573
	Pou Yuen Technology Co., Ltd.	1,971	4,726
	Others	3,728	5,797
		$ 83,918	$ 114,955

Related Party Category/Name	For the Year Ended December 31 2025	2024
Interest expense		
Barits Development Corporation	$ 671	$ 804
Pro Arch International Development Enterprise Inc.	783	311
Pou Yuen Technology Co., Ltd.	75	123
Others	98	52
	$ 1,627	$ 1,290
Lease expense		
Pou Yuen Technology Co., Ltd.	$ 240	$ 251
Windsor Entertainment Co., Ltd.	3	-
	$ 243	$ 251

g. Lease arrangements - the Company is lessor

The balance of operating lease receivables was as follows:

Related Party Category/Name	December 31 2025	December 31 2024
Windsor Entertainment Co., Ltd.	$ 9,230	$ 9,313
Yue Yuen Industrial (Holdings) Limited	1,387	1,378
Subsidiaries	21	21
	$ 10,638	$ 10,712

Future lease payments receivable are as follows:

Related Party Category/Name	December 31 2025	December 31 2024
Windsor Entertainment Co., Ltd.	$ 663,738	$ 34,996

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Windsor Entertainment Co., Ltd.	$ 105,421	$ 106,136
Yue Yuen Industrial (Holdings) Limited	8,613	8,351
Subsidiaries	684	699
Others	23	23
	$ 114,741	$ 115,209

h. Loans from related parties

Account Item	Related Party Category/Name	December 31 2025	December 31 2024
Short-term borrowings	Wealthplus Holdings Limited	$ 4,745,930	$ 10,035,557

i. Endorsements/guarantees provided

Please refer to Table 1 “Endorsements/guarantees provided” of Note 31 to the financial statements.

j. Compensation of key management personnel

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Short-term employee benefits	$ 161,340	$ 211,771

The remuneration of directors and key management personnel was determined by the remuneration committee, is based on the performance of individuals and market trends.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 32,547	31.43	$ 1,022,968
RMB	1	4.496	4
Non-monetary items			
USD	4,134	31.43	129,827
Financial liabilities			
Monetary items			
USD	151,571	31.43	4,763,882
Non-monetary items			
USD	118	31.43	3,671

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 46,014	32.785	$ 1,508,579
RMB	1	4.478	4
Non-monetary items			
USD	5,019	32.785	164,305
Financial liabilities			
Monetary items			
USD	116,697	32.785	3,825,917
RMB	1,394,000	4.478	6,242,332

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Significant marketable securities held (Table 2)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

6) Information on investees (Table 5)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party: (None).

TABLE 1

POU CHEN CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Pou Chen Corporation	Wealthplus Holdings Limited	b	$ 140,898,643	$ 29,416,500	$ 27,972,700	$ -	$ -	21	$ 281,797,286	Y	N	N	
		Pro Arch International Development Enterprise Inc.	b	140,898,643	62,294	40,881	40,881	-	-	281,797,286	Y	N	N	
		Barits Development Corporation	b	140,898,643	8,292,300	8,185,800	2,437,500	-	6	281,797,286	Y	N	N	
		Windsor Entertainment Co., Ltd.	b	140,898,643	80,000	50,000	-	-	-	281,797,286	Y	N	N	
		Pou Shine Investments Co., Ltd.	b	140,898,643	1,750,000	1,750,000	603,000	-	1	281,797,286	Y	N	N	
		Pou Yuen Technology Co., Ltd.	b	140,898,643	100,000	100,000	31,400	-	-	281,797,286	Y	N	N	
		Pou Yii Development Co., Ltd.	b	140,898,643	800,000	800,000	74,500	-	1	281,797,286	Y	N	N	

Note 1: The Company is coded as follows:

a. The Company is coded “0”.
b. The investee is coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationships for guarantee provider and guarantee are as follows:

a. Business relationship.
b. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
c. A company that directly and indirectly holds more than 50% of the voting shares in the Company.
d. A company in which the Company directly and indirectly holds more than 90% of the voting shares.
e. A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. A company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. A company where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 200% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 100% of the Company’s net worth.

Note 4: Endorsement/guarantee given by listed parent on behalf of subsidiaries, by subsidiaries on behalf of listed parent, and on behalf of companies in mainland China is coded “Y”.

TABLE 2

POU CHEN CORPORATION

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Chen Corporation	Ordinary shares							
	Mega Financial Holding Company Ltd.	None	Financial assets at FVTOCI - current	208,288,378	$ 8,331,535	1.40	$ 8,331,535	
	Taiwan Paiho Limited	None	Financial assets at FVTOCI - current	615,473	31,081	0.21	31,081	
	Zhiyuan Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,925,000	41,949	10.71	41,949	
	New Loulan Corporation., Ltd.	None	Financial assets at FVTOCI - non-current	100,000	781	4.00	781	
	Bonds							
	The 10-years U.S. dollars subordinated corporate bonds issued by Cathay Life Insurance Co., Ltd.	None	Financial assets at amortized cost - non-current	-	94,290 (US$ 3,000,000)	-	94,290 (US$ 3,000,000)	

TABLE 3

POU CHEN CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary	Sale	$ (8,598,836)	(99)	D/A 45 days	-	-	$ 1,333,707	99	
	Chang Yang Material Corporation	The associate	Purchase	112,589	3	D/A 45 days	-	-	(7,160)	(2)	

TABLE 4

POU CHEN CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	Subsidiary	$ 1,333,707	6	$ -	-	$ 1,281,296	$ -

TABLE 5

POU CHEN CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holdings Limited	British Virgin Islands	Investing in footwear, electronic and peripheral products	$ 295,429	$ 295,429	9,222,000	100.00	$ 108,359,170	$ 7,725,777	$ 7,737,500	
				(US$ 9,222,000)	(US$ 9,222,000)			(US$ 3,447,635,047)	(US$ 248,626,933)	(US$ 249,003,280)	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230	3,230	100,000	100.00	2,649,105	132,233	132,485	
				(US$ 100,000)	(US$ 100,000)			(US$ 84,285,869)	(US$ 4,256,097)	(US$ 4,264,181)	
	Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	71,000	71,000	7,100,000	100.00	87,541	2,705	(2,618)	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	5,195,056	234,697	234,697	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	983	(5,822)	(5,822)	
	Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	250,600	7,075	7,330	
	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,117,293	2,117,293	388,316,812	99.49	12,776,930	338,360	336,719	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,450	966,450	30,456,252	97.82	617,416	42,513	29,766	
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	8,973,810	15.00	265,600	62,371	9,356	
	Wang Yi Construction Co., Ltd.	ROC	Construction	3,636	5,356	195,375	7.82	-	(2,630)	255	
	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,742,000	15,652,000	7,288,500,000	20.00	51,389,811	24,597,988	4,919,598	
	Nan Shan Life Insurance Co., Ltd.	ROC	Personal insurance	370	370	10,634	-	385	27,932,366	28	

TABLE 6

POU CHEN CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	$ 2,642,140 (US$ 88,116,600)	b	$ -	$ -	$ -	$ -	$ -	2.12	$ -	$ 43,849 (RMB 9,752,867)	$ -	(Note 3)
Yue-Shen (Taicang) Footwear Co., Ltd.	Finished shoes, semi-finished products, components and production and marketing of moulds	554,646 (US$ 17,100,000)	b	-	-	-	-	(20,749) (RMB (4,648,001))	32.13	(6,667) (RMB (1,493,403)) b,1)	243,539 (RMB 54,167,848)	-	
Dongguan Yuming Electronic Technology Co., Ltd.	Production and marketing of over 17 inches color-image monitor, motherboards and other products	475,745 (US$ 14,500,000)	b	-	-	-	-	9,528 (RMB 2,197,873)	100.00	9,528 (RMB 2,197,873) b,1)	358,687 (RMB 79,779,050)	-	
Yue Cheng (Kun Shan) Sports Co., Ltd.	Operating sporting goods and equipment, spare parts production and marketing business	435,402 (US$ 14,200,000)	b	-	-	-	-	80,794 (RMB 18,286,529)	32.13	25,960 (RMB 5,875,462) b,1)	1,244,287 (RMB 276,754,134)	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	32,810 (US$ 1,000,000)	b	-	-	-	-	67,847 (RMB 15,659,212)	100.00	67,847 (RMB 15,659,212) b,1)	284,322 (RMB 63,238,847)	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US$ 2,100,000)	b	-	-	-	-	9,462 (RMB 2,168,354)	10.27	972 (RMB 222,690) b,1)	10,385 (RMB 2,309,765)	-	
Pouhong Footwear Industrial Ltd.	Production and operation of casual shoes, sports shoes	49,215 (US$ 1,500,000)	b	-	-	-	-	3,373 (RMB 774,101)	51.36	1,732 (RMB 397,578) b,1)	24,623 (RMB 5,476,548)	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	945,204 (US$ 30,390,000)	b	-	-	-	-	287,954 (RMB 67,685,329)	51.36	147,893 (RMB 34,763,185) b,1)	1,117,730 (RMB 248,605,383)	-	
Bao Hong (Yangzhou) Shoes Co., Ltd.	Production of needles, woven garments, footwear and sales of self-produce products	2,591,184 (US$ 85,291,730)	b	-	-	-	-	(74,800) (RMB (17,263,977))	51.36	(38,417) (RMB (8,866,778)) b,1)	311,968 (RMB 69,387,901)	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	3,281 (US$ 100,000)	b	-	-	-	-	35 (RMB 8,073)	51.36	18 (RMB 4,146) b,1)	3,371 (RMB 749,721)	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US$ 29,000,000)	b	-	-	-	-	16,488 (RMB 3,840,162)	23.11	3,810 (RMB 887,461) b,1)	225,629 (RMB 50,184,294)	-	
Zhong Ao Multiplex Management Group Co., Ltd.	Stadium management, wholesale and retail of clothing and footwear accessories	2,055,560 (RMB 431,795,000)	b	-	-	-	-	(143,571) (RMB (32,783,100))	20.44	(29,346) (RMB (6,700,866)) b,1)	610,145 (RMB 135,708,377)	-	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US$ 2,360,000)	b	-	-	-	-	35,249 (RMB 8,215,605)	25.68	9,052 (RMB 2,109,767) b,1)	57,703 (RMB 12,834,359)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	$ 1,988,061 (US$ 65,000,000)	b	$ -	$ -	$ -	$ -	$ 49,720 (RMB 10,810,203)	32.13	$ 15,975 (RMB 3,473,318) b,1)	$ 586,770 (RMB 130,509,364)	$ -	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	202,113 (RMB 45,216,259)	23.13	46,749 (RMB 10,458,521) b,1)	395,855 (RMB 88,046,135)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and casual shoes and accessories	322,886 (US$ 10,000,000)	b	-	-	-	-	20,616 (RMB 4,654,618)	32.13	6,624 (RMB 1,495,529) b,1)	153,813 (RMB 34,211,083)	-	
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	42,653 (US$ 1,300,000)	b	-	-	-	-	32,594 (RMB 7,444,986)	32.13	10,472 (RMB 2,392,074) b,1)	(11,813) (RMB (2,627,419))	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US$ 50,000,000)	b	-	-	-	-	4,073,573 (RMB 952,857,266)	32.13	1,308,839 (RMB 306,153,039) b,1)	3,053,125 (RMB 679,075,762)	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, casual shoes and other footwear manufacturing, marketing	729,906 (US$ 22,456,800)	b	-	-	-	-	(25,245) (RMB (5,851,444))	25.68	(6,483) (RMB (1,502,651)) b,1)	200,964 (RMB 44,698,365)	-	
Dalian YYSPORTS Sport Industrial Development Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	928,000 (RMB 200,000,000)	b	-	-	-	-	(1,840) (RMB (424,448))	32.13	(591) (RMB (136,375)) b,1)	500,733 (RMB 111,372,994)	-	
YYSPORTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US$ 22,400,000)	b	-	-	-	-	(21,891) (RMB (5,021,300))	32.13	(7,034) (RMB (1,613,344)) b,1)	182,565 (RMB 40,606,105)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US$ 23,310,000)	b	-	-	-	-	(79,543) (RMB (18,673,626))	32.13	(25,557) (RMB (5,999,836)) b,1)	192,234 (RMB 42,756,766)	-	
Dragon Light (China) Sporting Goods Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	2,111,340 (US$ 66,000,000)	b	-	-	-	-	3,352 (RMB 762,772)	32.13	1,077 (RMB 245,079) b,1)	820,113 (RMB 182,409,458)	-	
Kunshan Baoyuanyi Sports Goods Co., Ltd.	Shopping mall management and property management	2,111,340 (US$ 66,000,000)	b	-	-	-	-	5 (RMB 1,213)	32.13	2 (RMB 390) b,1)	738,122 (RMB 164,172,996)	-	
Shaanxi Pousheng Trading Co., Ltd.	Engaged in wholesale, retail and import and export business of sports goods, fitness equipment and sportswear	2,012,320 (US$ 66,000,000)	b	-	-	-	-	190,981 (RMB 44,569,543)	32.13	61,362 (RMB 14,320,194) b,1)	1,488,856 (RMB 331,151,182)	-	
Taicang Yue-Shen Sporting Goods Co., Ltd.	Engaged in the production and sales of shoe products, semi-finished products, moulds and related sports goods.	393,720 (US$ 12,000,000)	b	-	-	-	-	(178,161) (RMB (40,546,387))	32.13	(57,243) (RMB (13,027,554)) b,1)	290,364 (RMB 64,582,742)	-	
Hangzhou Pou-Hung Sport Products Co., Ltd.	Design, development, production and processing of sports goods, sports instruments, sportswear, sports shoes and accessories	67,308 (RMB 14,200,000)	b	-	-	-	-	-	16.07	- b,1)	-	-	
Rui Jin Pou Yuen Footwear Development Co., Ltd.	Production and sale of sports shoes, casual shoes and semi-finished products	356,697 (US$ 12,000,000)	b	-	-	-	-	(10,617) (RMB (2,434,019))	51.36	(5,453) (RMB (1,250,112)) b,1)	117,065 (RMB 26,037,487)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Production and sale of shoes uppers, footwear and garments	$ 1,737,815 (RMB 387,563,020)	b	$ -	$ -	$ -	$ -	$ (127,883) (RMB (30,232,745))	51.36	$ (65,681) (RMB (15,527,538)) b,1)	$ 614,294 (RMB 136,631,189)	$ -	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US$ 30,000,000)	b	-	-	-	-	(22,697) (RMB (5,244,455))	51.36	(11,657) (RMB (2,693,552)) b,1)	91,883 (RMB 20,436,721)	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US$ 9,500,000)	b	-	-	-	-	23,794 (RMB 5,499,883)	51.36	12,221 (RMB 2,824,740) b,1)	241,062 (RMB 53,617,068)	-	
Jiang Xi Hwa Ching Foam Ltd.	Manufacturing and sale of plastic foam, plastic packaging materials and other plastic products	63,600 (US$ 2,000,000)	b	-	-	-	-	3,143 (RMB 727,341)	19.52	613 (RMB 141,977) b,1)	16,306 (RMB 3,626,723)	-	
Yue Yuen (Anfu) Footwear Co., Ltd.	Production and marketing of finished shoes, semi-finished products and components and modules	1,763,350 (US$ 60,000,000)	b	-	-	-	-	165,416 (RMB 38,397,359)	51.36	84,958 (RMB 19,720,884) b,1)	1,447,754 (RMB 322,009,400)	-	
Dong Guan Bao Yu Shoes Co., Ltd.	Production and sale of sports shoes, casual shoes, leather shoes, children's shoes, semi-finished footwear and footwear materials	66,780 (US$ 2,100,000)	b	-	-	-	-	(1,259) (RMB (286,746))	51.36	(647) (RMB (147,273)) b,1)	2,589 (RMB 575,810)	-	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US$ 350,000)	b	-	-	-	-	4,347 (RMB 1,009,483)	51.36	2,232 (RMB 518,471) b,1)	19,078 (RMB 4,243,366)	-	
Yiyang Yujing Shoes Industrial Co., Ltd.	Production and sale of finished and semi-finished sports shoes and casual shoes	743,983 (US$ 24,000,000)	b	-	-	-	-	(14,510) (RMB (3,349,876))	51.36	(7,452) (RMB (1,720,496)) b,1)	54,004 (RMB 12,011,637)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US$ 350,000)	b	-	-	-	-	2,229 (RMB 513,157)	51.36	1,145 (RMB 263,557) b,1)	10,209 (RMB 2,270,771)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US$ 6,400,000)	b	-	-	-	-	(11,953) (RMB (2,758,341))	51.36	(6,139) (RMB (1,416,684)) b,1)	21,972 (RMB 4,887,090)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	87,258 (US$ 3,000,000)	b	-	-	-	-	(6,284) (RMB (1,450,315))	25.68	(1,614) (RMB (372,441)) b,1)	2,951 (RMB 656,374)	-	
Pou Sheng (China) Investment Group Co., Ltd.	Business of investment, technical services and wholesale, import and export sports goods, sportswear, sports shoes and leisure shoes	4,550,741 (US$ 152,922,400)	b	-	-	-	-	499,206 (RMB 114,023,356)	32.13	160,395 (RMB 36,635,704) b,1)	4,276,303 (RMB 951,135,043)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US$ 14,000,000)	b	-	-	-	-	89,415 (RMB 20,839,431)	51.36	45,924 (RMB 10,703,132) b,1)	428,133 (RMB 95,225,413)	-	
Dong Guan Pou Chen Footwear Company Limited	Production and sale of footwear products, semi-finished footwear products and accessories, moulding tools and engaged in the wholesale and import and export business of footwear products	1,223,925 (RMB 263,827,800)	b	-	-	-	-	58,458 (RMB 14,423,831)	51.36	30,024 (RMB 7,408,080) b,1)	849,335 (RMB 188,909,125)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Dongguan Yusheng Shoe Industry Co., Ltd.	Production and sale of finished shoes, semi-finished shoes and mold products and engaged in research and development of shoes, finished shoes, mold products	$ 872,268 (RMB 189,970,250)	b	$ -	$ -	$ -	$ -	$ 241,190 (RMB 55,453,410)	51.36	$ 123,875 (RMB 28,480,871) b,1)	$ 822,234 (RMB 182,881,149)	$ -	
Dong Guan Yue Yuan Footwear Products Company Limited	Production and sale of footwear products, semi-finished footwear products, mold products and engaged in wholesale and import and export business of footwear products	1,026,777 (RMB 217,720,430)	b	-	-	-	-	(35,882) (RMB (8,280,652))	51.36	(18,429) (RMB (4,252,943)) b,1)	153,161 (RMB 34,066,143)	-	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	-	b	-	-	-	-	-	15.90	- b,1)	-	-	Cancel
Dong Guan Yue Guan Paper Products Co., Ltd.	Production and sale of cartons and engaged in research and development of cartons	48,693 (RMB 10,000,000)	b	-	-	-	-	(935) (RMB (217,212))	10.27	(96) (RMB (22,308)) b,1)	4,531 (RMB 1,007,812)	-	
Kun Shan YYSPORTS E-Commerce Co., Ltd.	Network technology development, technical consultation, technical services and retail and wholesale of sports goods, sports equipment	89,367 (US$ 3,000,000)	b	-	-	-	-	62,629 (RMB 14,115,164)	32.13	20,123 (RMB 4,535,202) b,1)	(3,290) (RMB (731,809))	-	
Hunan Huaqing Foam Products Co., Ltd.	Processing and production of plastic foam, foam daily products, shoe products and composite products	-	b	-	-	-	-	(702) (RMB (158,075))	-	(48) (RMB (10,891)) b,1)	-	-	Sold
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US$ 26,500,000)	b	-	-	-	-	(54,762) (RMB (12,588,066))	32.13	(17,595) (RMB (4,044,546)) b,1)	(232,551) (RMB (51,723,930))	-	
Kun Shan Pou-Han Sport Culture Development Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	48,278 (US$ 1,500,000)	b	-	-	-	-	11 (RMB 2,422)	32.13	3 (RMB 778) b,1)	12,200 (RMB 2,713,543)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US$ 14,850,000)	b	-	-	-	-	(1,250) (RMB (275,824))	51.36	(642) (RMB (141,663)) b,1)	187,201 (RMB 41,637,211)	-	
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	1,408 (RMB 300,000)	b	-	-	-	-	(7,945) (RMB (1,761,588))	51.36	(4,080) (RMB (904,751)) b,1)	(130) (RMB (28,952))	-	
Changsha YYSPORTS Sport Products Co., Ltd.	Sales of sports goods and equipment	22,825 (RMB 5,000,000)	b	-	-	-	-	63,767 (RMB 14,300,056)	32.13	20,488 (RMB 4,594,608) b,1)	17,261 (RMB 3,839,175)	-	
Henan YYSPORTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	29,552 (RMB 6,294,240)	32.13	9,495 (RMB 2,022,339) b,1)	38,656 (RMB 8,597,960)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	25,551 (RMB 5,756,704)	32.13	8,210 (RMB 1,849,629) b,1)	(24,101) (RMB (5,360,631))	-	
Zhejiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	(103,885) (RMB (24,782,616))	32.13	(33,378) (RMB (7,962,654)) b,1)	280,182 (RMB 62,318,081)	-	
Mudanjiang YYSPORTS Sport Technology Co., Ltd.	Sports services, research and development of sports fitness equipment and retail business of sports goods	4,565 (RMB 1,000,000)	b	-	-	-	-	8,883 (RMB 2,043,594)	32.13	2,854 (RMB 656,607) b,1)	16,846 (RMB 3,746,787)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	$ 13,833 (RMB 3,000,000)	b	$ -	$ -	$ -	$ -	$ (1,557) (RMB (361,573))	100.00	$ (1,557) (RMB (361,573)) b,1)	$ 13,693 (RMB 3,045,592)	$ -	
Chongqing Baoyu Sports Goods Company Limited	Wholesale and retail of sports goods, sports equipment, clothing, shoes, caps and accessories and premises leasing	8,994 (RMB 2,000,000)	b	-	-	-	-	(1,734) (RMB (400,046))	32.13	(557) (RMB (128,535)) b,1)	(27,837) (RMB (6,191,396))	-	
Kuo Yuen Tannery	Production, processing, sales, research and development of shoe materials, import and export goods or technic	176,844 (RMB 41,047,490)	b	-	-	-	-	(29,500) (RMB (6,771,166))	25.68	(7,576) (RMB (1,738,835)) b,1)	15,646 (RMB 3,479,943)	-	
Yangzhou Yuhong Garment Co., Ltd.	Engaged in the processing and production of apparel, apparel accessories, and selling our own products	588,725 (US$ 19,749,000)	b	-	-	-	-	(64,199) (RMB (14,775,180))	51.36	(32,973) (RMB (7,588,532)) b,1)	243,332 (RMB 54,121,983)	-	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US$ 300,000)	b	-	-	-	-	1,264 (RMB 296,233)	19.52	247 (RMB 57,825) b,1)	5,060 (RMB 1,125,379)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	-	b	-	-	-	-	2,205 (RMB 506,658)	-	434 (RMB 99,660) b,1)	-	-	Sold
Hubei PouShou Sports Goods Trading Company Limited	Management consultants, retail of sports goods, sports equipment, clothing, shoes, caps and accessories and advertising design agency	4,191 (RMB 1,000,000)	b	-	-	-	-	(13,489) (RMB (3,118,495))	32.13	(4,334) (RMB (1,001,973)) b,1)	(21,951) (RMB (4,882,413))	-	
Dong Guan Orisol Trading Company Ltd.	Wholesale or repair of shoe-related machinery and parts	27,850 (US$ 1,000,000)	b	-	-	-	-	14,500 (RMB 3,356,053)	51.36	7,447 (RMB 1,723,669) b,1)	31,160 (RMB 6,930,629)	-	
Shanghai Shengjie Sports Goods Co., Ltd.	Retail business of sports goods and accessories	67,095 (RMB 15,000,000)	b	-	-	-	-	84,258 (RMB 19,580,708)	32.13	27,072 (RMB 6,291,281) b,1)	146,266 (RMB 32,532,457)	-	
Suzhou Baocheng Sports Goods Trading Co., Ltd.	Retail business of sports goods and accessories	2,204 (RMB 500,000)	b	-	-	-	-	4,760 (RMB 1,070,395)	32.13	1,529 (RMB 343,918) b,1)	7,406 (RMB 1,647,304)	-	
Fujian Pou Yuan Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	856,400 (RMB 200,000,000)	b	-	-	-	-	98,154 (RMB 22,794,068)	32.13	31,537 (RMB 7,323,734) b,1)	388,013 (RMB 86,301,790)	-	
Xinjiang Shengdao Sporting-Goods Co., Ltd.	Retail business of sports goods and accessories	21,635 (RMB 5,000,000)	b	-	-	-	-	(3,652) (RMB (802,052))	32.13	(1,174) (RMB (257,699)) b,1)	3,471 (RMB 771,953)	-	
Hainan Shengzhuo E-Commerce Co., Ltd.	Retail business of sports goods and accessories	22,615 (RMB 5,000,000)	b	-	-	-	-	116,702 (RMB 26,782,617)	23.13	26,993 (RMB 6,194,819) b,1)	46,683 (RMB 10,383,241)	-	
Ka Te Footwear Material (Shishi) Limited	Production and sale of footwear	253,200 (US$ 8,000,000)	b	-	-	-	-	(21,261) (RMB (4,977,703))	16.69	(3,549) (RMB (830,779)) b,1)	38,453 (RMB 8,552,793)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Shanghai Shengdao Warehouse Trading Co., Ltd.	Retail business of sports goods and accessories	$ 4,523 (RMB 1,000,000)	b	$ -	$ -	$ -	$ -	$ (4,388) (RMB (1,012,081))	32.13	$ (1,410) (RMB (325,181)) b,1)	$ (978) (RMB (217,449))	$ -	
Jiangsu Baoyuan Sports Goods Co., Ltd	Retail business of sports goods and accessories	44,780 (RMB 10,000,000)	b	-	-	-	-	18,072 (RMB 4,273,979)	32.13	5,806 (RMB 1,373,230) b,1)	23,807 (RMB 5,295,239)	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
$ -	$ 23,160,295 (US$ 736,884,971)	$ 84,539,186

Note 1: Methods of investments have following types:

a. Direct investment in mainland China.
b. Indirect investment in the Company located in mainland China through a third place of the subsidiaries of Wealthplus Holdings Limited and Yue Yuen Industrial Holdings Limited.
c. Other.

Note 2: Investment profit or loss recognized in the current period:

a. If it is in the preparation stage, there is no investment gains and losses, it should be noted.
b. The amount of investment gain (loss) was recognized in following bases:

1) Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.
2) Based on the financial statements audited by the auditor of parent company.

Note 3: Financial assets at FVTOCI

Note 4: The limitation of the amount is in accordance with the provisions of the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" which was passed on August 29, 2008.

(Concluded)

POU CHEN CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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EXHIBIT 1

POU CHEN CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and petty cash		$ 346
Checking accounts and demand deposits		170,069
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits		300
		$ 170,715

EXHIBIT 2

POU CHEN CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance on January 1, 2025		Additions		Decrease		Balance on December 31, 2025			
Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Collateral
Mega Financial Holding Company Ltd.	208,288,378	$ 8,060,760	-	$ 270,775	-	$ -	208,288,378	1.40	$ 8,331,535	None
Taiwan Paiho Limited	615,473	41,975	-	-	-	10,894	615,473	0.21	31,081	None
		$ 8,102,735		$ 270,775		$ 10,894			$ 8,362,616	

Note: Profit or loss of evaluation.

EXHIBIT 3

POU CHEN CORPORATION

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Notes receivable - unrelated parties		
Operating activities:		
YIN LI CO., LTD.	Purchase	$ 6

EXHIBIT 4

POU CHEN CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Accounts receivable - unrelated parties		
Champion Glory Trading Limited	Purchase	$ 6,838
Other (Note)	〃	356
		$ 7,194
Accounts receivable - related parties		
Yue Yuen Industrial (Holdings) Limited	Purchase	$ 1,333,707
Other (Note)	〃	3,091
		$ 1,336,798

Note: The amount of each item in others does not exceed 5% of the account balance.

EXHIBIT 5

POU CHEN CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	
		Cost	Net Realizable Value (Note)
Raw material		$ 77,289	$ 69,725
Materials		3,352	3,013
Work in process		40,230	29,711
Finished goods		12,101	10,778
Merchandises		5,605	5,605
Less: Allowance for impairment losses		(19,745)	-
		$ 118,832	$ 118,832

Note: The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

EXHIBIT 6

POU CHEN CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025			
Investees	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**%**	**Amount**	**Collateral**
Zhiyuan Venture Capital Co., Ltd.	4,478,572	$ 45,348	-	$ -	1,553,572	$ 3,399	2,925,000	10.71	$ 41,949	None
New Loulan Corporation., Ltd.	100,000	788	-	-	-	7	100,000	4.00	781	〃
		$ 46,136		$ -		$ 3,406			$ 42,730	

Note: Profit or loss of evaluation and proceeds from the capital reduction.

EXHIBIT 7

POU CHEN CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025			Market Value or Net Assets Value		
Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit Price (Dollar)	Total	Collateral
Wealthplus Holdings Limited (Note 1)	9,222,000	$ 104,303,696	-	$ 4,055,474	-	$ -	9,222,000	100.00	$ 108,359,170		$ 108,342,565	None
Win Fortune Investments Limited (Note 1)	100,000	2,609,539	-	39,566	-	-	100,000	100.00	2,649,105		2,623,582	〃
Windsor Entertainment Co., Ltd. (Note 1)	7,100,000	89,439	-	-	-	1,898	7,100,000	100.00	87,541		83,040	〃
Pou Shine Investment Co., Ltd. (Note 1)	133,094,460	5,024,291	-	170,765	-	-	133,094,460	100.00	5,195,056		5,180,596	〃
Pan Asia Insurance Services Co., Ltd. (Note 1)	-	7,053	-	-	-	6,070	-	100.00	983		983	〃
Barits Development Corporation (Note 1)	357,895,636	12,162,592	30,421,176	614,338	-	-	388,316,812	99.49	12,776,930		12,696,240	〃
Pou Yuen Technology Co., Ltd. (Note 1)	30,456,252	764,390	-	-	-	146,974	30,456,252	97.82	617,416		955,376	〃
Pro Arch International Development Enterprise Inc. (Note 1)	20,000,000	262,475	-	-	-	11,875	20,000,000	100.00	250,600		250,230	〃
Pou Yii Development Co., Ltd. (Note 1)	7,875,000	247,756	1,098,810	17,844	-	-	8,973,810	15.00	265,600		265,600	〃
Wang Yi Construction Co., Ltd. (Note 2)	367,305	-	-	-	171,930	-	195,375	7.82	-		3,158	〃
Ruen Chen Investment Holding Co., Ltd. (Note 1)	6,595,300,000	50,690,791	693,200,000	699,020	-	-	7,288,500,000	20.00	51,389,811		51,449,123	〃
Nan Shan Life Insurance Co., Ltd. (Note 1)	10,634	381	-	4	-	-	10,634		385		305	〃
		$ 176,162,403		$ 5,597,011		$ 166,817			$ 181,592,597		$ 181,850,798	

Note 1: Included distribution of current profit, the participation in cash capital increase and investment gain or loss using the equity method.

Note 2: The carrying amount of investment in Wang Yi is negative for the year ended December 31, 2025. Therefore, the Company recognized $16,475 thousand in “other non-current liabilities” and referred to Exhibit 16 for the information.

EXHIBIT 8

POU CHEN CORPORATION

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSET
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Land	Buildings	Other Equipment	Total
Cost				
Balance on January 1, 2025	$ 113,186	$ 61,259	$ 7,466	$ 181,911
Additions	902	-	-	902
Disposals	(1,279)	(1,842)	-	(3,121)
Balance on December 31, 2025	$ 112,809	$ 59,417	$ 7,466	$ 179,692
Accumulated depreciation				
Balance on January 1, 2025	$ 49,329	$ 6,895	$ 4,924	$ 61,148
Depreciation expenses	14,009	19,921	1,253	35,183
Disposals	(1,008)	(679)	-	(1,687)
Balance on December 31, 2025	$ 62,330	$ 26,137	$ 6,177	$ 94,644
Carrying amount on December 31, 2025	$ 50,479	$ 33,280	$ 1,289	$ 85,048

EXHIBIT 9

POU CHEN CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Creditor	Description	Balance, December 31, 2025	Period	Rate (%)	Financing Facilities	Collateral
Bank loans						
Yuanta Commercial Bank Co., Ltd.	Credit borrowings	$ 3,000,000	2025.10.27-2026.02.06	Note	$ 3,000,000	None
Bank of China	〃	2,800,000	2025.07.07-2026.01.07	〃	US$ 100,000,000	〃
Bank of Taiwan		500,000	2025.10.16-2026.01.14		500,000	〃
Banco de España	〃	1,511,952	2025.05.08-2026.05.08	〃	US$ 53,000,000	〃
Chang Hwa Commercial Bank	〃	2,000,000	2025.07.23-2026.07.23	〃	2,000,000	〃
The Export-Import Bank of the Republic of China	〃	1,500,000	2025.01.15-2026.06.30	〃	1,500,000	〃
E.SUN Commercial Bank	〃	2,000,000	2025.12.30-2026.02.26	〃	2,000,000	〃
Far Eastern International Bank	〃	500,000	2025.12.23-2026.02.24	〃	500,000	〃
Mega International Commercial Bank	〃	500,000	2025.12.24-2026.01.23	〃	500,000	〃
Standard Chartered Bank (Taiwan) Ltd.	〃	3,300,000	2025.04.17-2026.04.23	〃	US$ 160,000,000	〃
Taishin International Bank	〃	2,000,000	2025.12.17-2026.01.16	〃	2,000,000	〃
Loans from related parties		4,745,930	2025.11.10-2026.12.15	-	US$ 151,000,000	〃
		$ 24,357,882				

Note: The range of effective interest rate on bank borrowings was 1.35%-1.95%.

EXHIBIT 10

POU CHEN CORPORATION

STATEMENT OF SHORT-TERM BILLS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

			Amount		
Guarantee/Accepting Institution	**Period**	**Interest Rate Range %**	**Issue Amount**	**Unamortized Premium (Discount) on Notes**	**Carrying Amount**
Mizuho Bank, Ltd.	2025.12.11-2026.01.22	1.54	$ 2,750,000	$ (1,612)	$ 2,748,388

EXHIBIT 11

POU CHEN CORPORATION

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Notes payable - unrelated parties		
Operating activities:		
Yi Tzung Precision Machinery Corporation	Purchase	$ 702
Non-operating activities:		
Aurora Corporation	Office supplies	239
Lin, Ling-Yin	Rents	52
		291
		$ 993

EXHIBIT 12

POU CHEN CORPORATION

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Accounts payable - unrelated parties		
SHAN BEEN JEOU INDUSTRIAL CO., LTD.	Purchase	$ 28,497
PONY LEATHER CORPORATION	〃	26,216
Others (Note)	〃	335,311
		$ 390,024
Accounts payable - related parties		
Yue Yuen Industrial (Holdings) Limited	Purchase	$ 24,214
Chang Yang Material Corporation	〃	7,160
Nan Pao Resins Chemical Co., Ltd.	〃	3,641
Others (Note)	〃	1,778
		$ 36,793

Note: The amount of each item in others does not exceed 5% of the account balance.

EXHIBIT 13

POU CHEN CORPORATION

STATEMENT OF OTHER CURRENT LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Temporary credits		$ 6,765
Receipts under custody		13,602
Advance receipts		156,314
Others		973
		$ 177,654

EXHIBIT 14

POU CHEN CORPORATION

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Creditor	Description	Amount	Period	Annual Rate (%)	Collateral
Long-term bank loans					
Bank of Taiwan	Long-term borrowings	$ 4,000,000	2024.03.11-2029.03.11	Note	None
Banco Bilbao Vizcaya Argentaria, S.A.	〃	2,200,000	2025.11.28-2027.03.25	〃	〃
Chang Hwa Commercial Bank Ltd.	〃	1,000,000	2025.07.23-2028.07.31	〃	〃
Crédit Agricole Corporate and Investment Bank	〃	3,190,000	2025.04.24-2027.03.12	〃	〃
E.SUN Commercial Bank	〃	400,000	2025.12.30-2026.12.30	〃	〃
DBS Bank	〃	1,700,000	2025.12.17-2027.12.19	〃	〃
Hua Nan Commercial Bank	〃	1,400,000	2024.01.19-2027.01.19	〃	〃
O-Bank	〃	10,326	2016.08.03-2026.07.15	〃	〃
Mizuho Bank, Ltd.	〃	960,000	2025.03.20-2027.03.28	〃	〃
Bank SinoPac	〃	2,050,000	2025.12.29-2027.03.12	〃	〃
Cathay United Bank	〃	2,500,000	2025.11.21-2027.05.27	〃	〃
		19,410,326			
Long-term bills payable					
Banco Bilbao Vizcaya Argentaria, S.A.	Long-term borrowings	3,496,321	2025.11.28-2027.03.25	〃	〃
Crédit Agricole Corporate and Investment Bank	〃	1,758,679	2025.04.24-2027.03.12	〃	〃
O-Bank	〃	1,348,946	2025.12.18-2029.03.12	〃	〃
Mizuho Bank, Ltd.	〃	1,789,318	2025.03.20-2027.03.28	〃	〃
		8,393,264			
Less: Current portion recognized in current liabilities		(410,326)			
		$ 27,393,264			

Note: The range of effective interest rate on long-term borrowings was 1.75%-2.03%.

EXHIBIT 15

POU CHEN CORPORATION

STATEMENT OF CHANGES IN LEASE LIABILITY
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Period	Discount Rate (%)	Amount	Note
Land	Parking lot	2020.04.01-2030.08.31	1.1-2.6	$ 53,548	
Buildings	Rental of office	2024.09.01-2027.09.30	2.1-2.6	34,360	
Other equipment	Rental of communication equipment	2019.06.01-2027.05.31	1.34-2.1	1,418	
				$ 89,326	

EXHIBIT 16

POU CHEN CORPORATION

STATEMENT OF OTHER NON-CURRENT LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Guarantee deposits		$ 5,681
Others	Credit balance of investments accounted for using equity method	16,475
		$ 22,156

EXHIBIT 17

POU CHEN CORPORATION

STATEMENT OF NET OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Carrying Amount
Sales revenue		
Shoes material trade		$ 4,515,576
Less: Sales return		(10,221)
Sales allowances		(29)
		4,505,326
Service revenue		
Technical service revenue		2,038,612
Others		2,129,124
		4,167,736
		$ 8,673,062

EXHIBIT 18

POU CHEN CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw material	
Balance on January 1, 2025	$ 94,363
Add: Raw material purchased	301,968
Less: Raw material at December 31, 2025	(77,289)
Raw material sold	(465)
Sample transfer to operating expenses	(1,527)
Other use	(8,210)
Disposal	(1,500)
Consumption of raw material for the year	307,340
Indirect raw material	
Balance on January 1, 2025	510
Supplies inventory on January 1, 2025	1,561
Add: Material purchased for the year	13,768
Less: Indirect raw material on December 31, 2025	(3,352)
Supplies inventory on December 31, 2025	(1,834)
Sample transfer to operating expenses	(1,964)
Consumption of indirect raw material for the year	8,689
Direct labor	12,794
Manufacturing expenses	34,512
Manufacturing cost	363,335
Add: Work in progress on January 1, 2025	29,014
Work in progress purchased	267
Less: Work in progress on December 31, 2025	(40,230)
Sample transfer to operating expenses	(1,111)
Disposal	(199)
Costs of finished goods for the year	351,076
Add: Finished goods on January 1, 2025	14,330
Work in progress purchased	16,411
Less: Finished goods on December 31, 2025	(12,101)
Sample transfer to operating expenses	(15,897)
Disposal	(365)
Transfers to machinery and other equipment	(15,304)
Others	(210)
Costs of finished goods for the year	337,940
Merchandise on January 1, 2025	115
Merchandise purchased	3,363,530
Less: Merchandise on December 31, 2025	(5,605)
Sample transfer to operating expenses	(10)
Cost of goods sold	3,358,030
Others operating cost	
Raw material sold	465
write-down of inventory	9,297
Losses on inventory scrap	2,064
	11,826
Operating costs	$ 3,707,796

EXHIBIT 19

POU CHEN CORPORATION

STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salary and wages		$ 4,550
Freight		21,673
Customs clearance fees		5,796
Entertainment		2,248
Other expenses (Note)		1,266
		$ 35,533

Note: The balance of each item does not exceed 5% of the amount of the account.

EXHIBIT 20

POU CHEN CORPORATION

STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salary and wages		$ 1,642,006
Insurance		153,067
Other expenses (Note)		678,280
		$ 2,473,353

Note: The balance of each item does not exceed 5% of the amount of the account.

EXHIBIT 21

POU CHEN CORPORATION

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salary and wages		$ 1,091,739
Insurance		123,815
Depreciation expenses		88,767
Sample fees		126,556
Other expenses (Note)		353,355
		$ 1,784,232

Note: The balance of each item does not exceed 5% of the amount of the account.

EXHIBIT 22

POU CHEN CORPORATION

STATEMENT OF EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2025			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Employee benefits expense				
Salaries and wages expense	$ 18,848	$ 2,621,052	$ -	$ 2,639,900
Labor/health insurance	$ 2,315	$ 236,392	$ -	$ 238,707
Pension expense	$ 1,105	$ 120,916	$ -	$ 122,021
Directors' remuneration	$ -	$ 117,243	$ -	$ 117,243
Others	$ 741	$ 49,521	$ -	$ 50,262
Depreciation				
Property, plant and equipment	$ 8,834	$ 172,313	$ -	$ 181,147
Right-of-use assets	-	35,183	-	35,183
Investment property	-	-	26,704	26,704
	$ 8,834	$ 207,496	$ 26,704	$ 243,034
Amortization expense	$ -	$ 107,624	$ -	$ 107,624

	For the Year Ended December 31, 2024			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Employee benefits expense				
Salaries and wages expense	$ 16,947	$ 2,498,951	$ -	$ 2,515,898
Labor/health insurance	$ 1,855	$ 230,418	$ -	$ 232,273
Pension expense	$ 963	$ 121,030	$ -	$ 121,993
Directors' remuneration	$ -	$ 148,332	$ -	$ 148,332
Others	$ 686	$ 48,031	$ -	$ 48,717
Depreciation				
Property, plant and equipment	$ 7,056	$ 194,722	$ -	$ 201,778
Right-of-use assets	-	35,284	-	35,284
Investment property	-	-	28,567	28,567
	$ 7,056	$ 230,006	$ 28,567	$ 265,629
Amortization expense	$ -	$ 102,709	$ -	$ 102,709

(Continued)

Note 1: As of December 31, 2025 and 2024, there were 2,744 and 2,828 employees in the Company, respectively. Among them, there were seven and six directors who were not serve concurrently as employees, respectively.

Note 2: As of December 31, 2025 and 2024, the average employee benefits were $1,115 thousand and $1,034 thousand, respectively; the average salaries and wages amounted to $965 thousand and $892 thousand, respectively. The average salaries and wages increased by 8.18%.

Note 3: The Company's compensation policies:

a. The Company's directors and employees are entitled to the compensation and benefits program according to the Company's Articles of Incorporation, and the Compensation Committee is established to evaluate and supervise the program.

b. The total compensation paid to the directors and executive officers is decided based on the performance evaluation method of the board of directors and their work performances. In addition to considering the Company's operating performance, the Company also considers the average salary in the industry, the scope of rights and responsibilities within the Company, the contribution of business objectives and future risks. It is reviewed by the Compensation Committee and then submitted to the board of directors for approval.

c. Based on the principle of attracting and retaining talented people, the compensation is aimed at measuring the average salary in the industry, considering the performance of the enterprise and future development and inspecting the compensation system regularly to adjust the salary. In order to implement the compensation policy, which shall effectively correspond to performance, besides paying a reasonable and competitive salary in consideration of the current year's profit, the Group will distribute the salary based on the Group's target achievement, individual contribution and performance to distribute bonuses.

(Concluded)