

Formosan Rubber Group Inc.
and Subsidiaries
Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
With Independent Auditors' Report

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

REPRESENTATION LETTER

The Companies required to be included in the combined financial statements of Formosan Rubber Group Inc. as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Formosan Rubber Group Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Formosan Rubber Group Inc.

By

HSU, ZHEN-TSAI

Chairperson

March 10, 2026

INDEPENDENT AUDITORS' REPORT

NO.00111140ECA

The Board of Directors and Shareholders

Formosan Rubber Group Inc.

Opinion

We have audited the accompanying consolidated financial statements of Formosan Rubber Group Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial 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 Consolidated Financial Statements section of our report. We are independent of Formosan Rubber Group Inc. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for Formosan Rubber Group Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Valuation of Net Realizable Value of Real Estate For Sale

Summary of key issues for auditing

As of December 31, 2025, the value of real estate for sale on the consolidated balance sheet was NT\$ 2,927,244 thousand primarily reflective of the cost with completed properties and land held for sale. These items accounted for approximately 19% of the consolidated total assets. Please refer to Notes 4, 5 and 10 of the consolidated financial statements for detailed information. Formosan Rubber Group Inc. uses the lower of the cost or net realizable value for the valuation of real estate for sale. As the valuation of real estate for sale is subject to the effects of the cycle in the real estate market and the changes of the government policy and the determination of net realizable values for real estate for sale requires major judgment and estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of lower of the costs and net realizable value;
2. Random inspection of the ownership documents for the properties held for sale, in order to validate the integrity of the assessment;
3. Random inspection of the data concerning the estimated selling price and the sale records of the most recent period, so as to determine the basis and reasonability of the management's estimate of net realizable value.

Impairment of Property Investments

Summary of key issues for auditing

As of December 31, 2025, the value of property investments on the consolidated balance sheet was NT\$ 3,298,351 thousand accounting for approximately 21% of the consolidated total assets. Please refer to Notes 4, 5 and 15 of the consolidated financial statements for detailed information. Management complies with IAS 36 "Impairment of Assets" by evaluating whether there are any signs indicating the investment properties may be impaired on each balance sheet date. Given the numerous assumptions involved, and the high uncertainty of accounting estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of asset impairments according to cash generating units;

2. Assessment of the reasonability of the management's identification of impairment signs, assumptions and estimates used, such as the division of cash generating units, forecasting of cash flows, the appropriateness of the discount rate.

Other Matter – Reference to the Audit Report from Other Independent Auditor

The financial statements of Formosan Construction Corp., an investee with investments accounted for using equity method for the year 2025, were audited by another independent auditor. Hereby our opinion on the consolidated financial statements, insofar as it relates to the investments accounted for using equity method and their share of other comprehensive income, is based solely on the audit report of the other auditor.

As of December 31, 2025, the carrying amount of the investments accounted for using equity method in the aforementioned investee was NT\$91,601 thousand, constituting 0.59% of the consolidated total assets. The share of other comprehensive income recognized as of December 31, 2025, was NT\$269 thousand, constituting 0.04% of the total consolidated other comprehensive income.

Other Matters –Issuance of Audit Report of Parent Company's Financial Statements

We have also audited the parent company only financial statements of Formosan Rubber Group Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Formosan Rubber Group Inc. and its subsidiaries' 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 Formosan Rubber Group Inc. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Formosan Rubber Group Inc. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Formosan Rubber Group Inc. and its subsidiaries' 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 Formosan Rubber Group Inc. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Formosan Rubber Group Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Formosan Rubber Group Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

BAKER TILLY CLOCK & CO.

March 10, 2026

Notes to Readers

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

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

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet

Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Assets	Note	Dec. 31, 2025		Dec. 31, 2024	
Accounting item		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6	\$ 1,478,730	10	\$ 710,696	5
Financial assets at fair value through profit or loss-current	7	27,120	—	37,400	—
Financial assets at fair value through other comprehensive income - current	8	5,638,368	36	5,660,690	38
Notes receivable, net	9	23,370	—	23,825	—
Accounts receivable, net	9	106,558	1	119,295	1
Other receivables		121,213	1	38,603	—
Inventories	10	173,825	1	174,732	1
Inventories-Construction Industry	10	2,927,244	19	2,580,665	17
Prepayments		37,694	—	37,521	—
Other financial assets-current	11	125,964	1	743,135	5
Other current assets-other		1,009	—	1,055	—
Total current assets		10,661,095	69	10,127,617	67
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	8	394,166	3	743,504	5
Investments accounted for using equity method	12	155,521	1	148,721	1
Property, plant and equipment	13	724,091	5	725,526	5
Right-of-use assets	14	16,462	—	23,387	—
Investment property, net	15	3,298,351	21	3,201,214	21
Deferred tax assets	27	49,743	—	79,985	1
Prepayments for equipment		2,152	—	6,078	—
Refundable deposits		73,248	1	51,970	—
Other financial assets - non-current	11	40,000	—	20,000	—
Other non-current assets, others		—	—	211	—
Total non-current assets		4,753,734	31	5,000,596	33
Total assets		\$ 15,414,829	100	\$ 15,128,213	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet (Continued)

Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Liabilities & equity	Note	Dec. 31, 2025		Dec. 31, 2024	
Accounting item		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	16	\$ 975,000	6	\$ 1,075,000	7
Short-term notes and bills payable	18	59,950	1	149,807	1
Contract liabilities		25,637	—	6,049	—
Notes payable		72,748	1	75,506	1
Accounts payable		20,929	—	29,704	—
Other payables		211,265	1	127,348	1
Current tax liabilities		59,067	—	40,981	—
Lease liabilities-current	14	5,999	—	7,415	—
Long-term borrowings, current portion	17	9,842	—	198,000	2
Other current liabilities		15,453	—	18,628	—
Total current liabilities		1,455,890	9	1,728,438	12
Non-current liabilities					
Long-term Borrowings	17	223,269	2	—	—
Deferred tax liabilities	27	187,351	1	191,905	1
Non-current lease liabilities	14	11,001	—	16,650	—
Net defined benefit liability	19	1,683	—	1,598	—
Guarantee deposits received		52,680	—	48,667	—
Total non-current liabilities		475,984	3	258,820	1
Total liabilities		1,931,874	12	1,987,258	13
Equity attributable to owners of parent	20				
Share capital		3,035,934	20	3,035,934	20
Capital surplus		449,745	3	449,745	3
Retained earnings					
Legal reserve		1,968,395	13	1,874,381	12
Special reserve		294,810	2	296,475	3
Unappropriated retained earnings		6,781,756	44	6,357,798	42
Other equity interest					
Exchange differences on translation of foreign financial statements		20,517	—	54,444	—
Unrealized gains losses on financial assets measured at fair value through other comprehensive income		931,798	6	1,072,178	7
Total equity		13,482,955	88	13,140,955	87
Total liabilities & equity		\$ 15,414,829	100	\$ 15,128,213	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Comprehensive Income Statement

From Jan. 1 to Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Accounting item	Note	2025		2024	
		Amount	%	Amount	%
Operating revenue	21	\$ 1,443,584	100	\$ 1,481,243	100
Operating costs	22	(950,600)	(66)	(1,008,435)	(68)
Gross profit		492,984	34	472,808	32
Operating expenses					
Selling expenses		(44,400)	(3)	(56,477)	(4)
General and administrative expenses		(155,984)	(10)	(158,784)	(10)
Research and development expenses		(9,725)	(1)	(9,801)	(1)
Total operating expense		(210,109)	(14)	(225,062)	(15)
Operating profit		282,875	20	247,746	17
Non-operating income and expenses					
Interest income		30,121	3	51,141	3
Other income	23	303,269	21	202,221	13
Other gains and losses	24	(20,147)	(2)	157,539	11
Finance costs	25	(22,870)	(2)	(20,158)	(1)
Expected credit impairment gain (loss)		13	—	(1)	—
Shares of profit of associate		15,372	1	15,142	1
Total non-operating income and expenses		305,758	21	405,884	27
Income before income tax		588,633	41	653,630	44
Income tax expense	27	(80,812)	(6)	(80,170)	(5)
Net income		507,821	35	573,460	39
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	19	(201)	—	420	—
Unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		332,254	23	483,106	33
Shares of other comprehensive income of associates		(5,380)	—	5,937	—
Income tax benefit related to items that will not be reclassified subsequently	27	(37,709)	(3)	22,686	2
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(42,409)	(3)	62,381	4
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		5,220	—	(2,699)	—
Income tax related to items that may be reclassified subsequently	27	7,435	1	(11,936)	(1)
Other comprehensive income		259,210	18	559,895	38
Total comprehensive income for the year		\$ 767,031	53	\$ 1,133,355	77
Net income attributable to:					
Shareholders of the parent		\$ 507,821	35	\$ 573,460	39
Total comprehensive income attributable to:					
Shareholders of the parent		\$ 767,031	53	\$ 1,133,355	77
Earnings per share (NT dollars)	28				
Basic earnings per share		1.67 (NT dollars)		1.89 (NT dollars)	
Diluted earnings per share		1.67 (NT dollars)		1.89 (NT dollars)	

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Changes in Equity

From Jan. 1 to Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Item	Equity attributable to owners of the parent							Total equity
	Share capital	Capital surplus	Retained earnings			Other equity interest		
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance of Jan. 1, 2024	\$ 3,035,934	\$ 449,745	\$ 1,812,711	\$ 296,475	\$ 5,873,998	\$ 4,539	\$ 928,870	\$ 12,402,272
Legal reserve appropriated	—	—	61,670	—	(61,670)	—	—	—
Cash dividend	—	—	—	—	(394,672)	—	—	(394,672)
Net income in 2024	—	—	—	—	573,460	—	—	573,460
Other comprehensive income for 2024, net of income tax	—	—	—	—	336	49,905	509,654	559,895
Total comprehensive income (loss) in 2024	—	—	—	—	573,796	49,905	509,654	1,133,355
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	366,346	—	(366,346)	—
Balance of Dec. 31, 2024	3,035,934	449,745	1,874,381	296,475	6,357,798	54,444	1,072,178	13,140,955
Legal reserve appropriated	—	—	94,014	—	(94,014)	—	—	—
Cash dividend	—	—	—	—	(425,031)	—	—	(425,031)
Reversal of special reserve	—	—	—	(1,665)	1,665	—	—	—
Net income in 2025	—	—	—	—	507,821	—	—	507,821
Other comprehensive income for 2025, net of income tax	—	—	—	—	(161)	(33,927)	293,298	259,210
Total comprehensive income (loss) in 2025	—	—	—	—	507,660	(33,927)	293,298	767,031
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	433,678	—	(433,678)	—
Balance of Dec. 31, 2025	\$ 3,035,934	\$ 449,745	\$ 1,968,395	\$ 294,810	\$ 6,781,756	\$ 20,517	\$ 931,798	\$ 13,482,955

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Cash Flows

From Jan. 1 to Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Item	2025	2024
	Amount	Amount
Cash flows from operating activities:		
Income before income tax	\$ 588,633	\$ 653,630
Adjustments for:		
Depreciation expense	117,139	104,919
Expected credit impairment (gain) loss	(228)	429
Net gain on financial assets at fair value through profit	(25,481)	(104,260)
Finance costs	22,870	20,158
Loss on disposal of investments in debt instruments at fair value through other comprehensive income	11,424	—
Interest income	(30,121)	(51,141)
Dividend income	(298,123)	(195,806)
Share of profit of associates	(15,372)	(15,142)
(Gain) loss on disposal of property, plant and equipment	(203)	20,572
Other losses	—	17,631
Impairment loss on non-financial assets	—	7,654
Unrealized foreign exchange gain	(791)	(4,111)
Changes in operating assets and liabilities		
Notes receivable	459	15,130
Accounts receivable	12,948	(19,112)
Other receivables	(4,995)	12,105
Inventories	907	6,886
Inventories-Construction Industry	(13,989)	190,827
Prepayments	(173)	17,041
Other current assets	46	(82)
Contract liabilities	19,588	6,049
Notes payable	(2,758)	(6,093)
Accounts payable	(8,775)	(4,481)
Other payables	83,917	(5,658)
Other current liabilities	(3,175)	473
Net defined benefit liability	(116)	(113)
Cash generated from operations	453,631	667,505

Formosan Rubber Group Inc. and Its Subsidiaries
Consolidated Statement of Cash Flows (Continued)

From Jan. 1 to Dec. 31, 2025 and 2024

Unit: In Thousands of NTD

Item	2025	2024
	Amount	Amount
Interest received	31,206	51,651
Dividends received	297,468	195,549
Interest paid	(22,870)	(20,158)
Income tax paid	(67,312)	(67,548)
Net cash generated from operating activities	692,123	826,999
Cash flows from investing activities:		
Cash paid for acquisition of financial assets at fair value through other comprehensive income	(1,849,113)	(1,527,855)
Proceeds from financial assets at fair value through other comprehensive income	2,198,546	1,421,811
Return of capital from financial assets at fair value through other comprehensive income	1,600	900
Cash paid for financial assets at fair value through profit or loss	(399,868)	(846,549)
Proceeds from acquisition of financial assets at fair value through profit or loss	435,629	978,044
Acquisition of property, plant and equipment	(43,344)	(40,940)
Proceeds from property, plant and equipment	257	—
(Increase) Decrease in refundable deposits	(21,278)	5,080
Increase Other receivables	(112,133)	—
Acquisition of Investment property	(164,997)	(429,320)
Decrease (Increase) in other financial assets	597,171	(31,839)
Decrease in other non-current assets	211	422
Decrease prepayments for equipment	3,926	11,939
Dividends received from investments accounted for using equity method	3,192	—
Net cash generated from (used in) investing activities	649,799	(458,307)
Cash flows from financing activities:		
Decrease in short-term borrowings	(100,000)	(65,000)
Decrease in short-term notes and bills payable	(89,857)	(40,074)
Increase in long-term borrowings	35,111	198,000
Increase in guarantee deposits received	4,013	2,982
Payments of lease liabilities	(7,463)	(7,648)
Cash dividends paid	(425,031)	(394,672)
Net cash used in financing activities	(583,227)	(306,412)
Effect of exchange rate changes on cash and cash equivalents	9,339	284
Net Increase in cash and cash equivalents	768,034	62,564
Cash and cash equivalents at beginning of year	710,696	648,132
Cash and cash equivalents at end of year	\$ 1,478,730	\$ 710,696

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Notes to Consolidated Financial Statements

From Jan. 1 to Dec. 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. Company profile

Formosan Rubber Group Inc. (hereafter referred to as the “FRG”) was founded in 1963 under the Company Act of the Republic of China. The company produces and markets rubber sheets, plastic sheets, plastic foam sheets and PVC resin sheets, as well as the relevant materials. In order to diversity its operations, FRG started in September 1995 the property development business and the leasing, sale and management operations for its own properties and land. FRG became a listed company on the Taiwan Stock Exchange in March 1992.

The consolidated financial statements consist of FRG and its subsidiaries (collectively the “Company”).

2. Date and procedure approving financial statements

The consolidated financial statements were approved and published by the board of directors on March 10, 2026.

3. Application of new, amended and revised standards and interpretations

- (1) 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)

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to IAS 21 "Lack of Exchangeability" is not expected to result in any significant changes to the Company's accounting policies.

- (2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

A. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

a. Amendments to Application Guidance on the classification of financial assets:

A) If a financial asset includes a contingency that could change the timing or amount of contractual cash flows, and the nature of the contingency is not directly related to changes in basic lending risks and costs (e.g., whether the debtor achieves a specific carbon emission reduction), such financial assets still meet the "Solely Payments of Principal and Interest":

- The contractual cash flows arising in all possible scenarios (before and after the contingency occurs) are solely payments of principal and interest; AND
- The cash flows in all possible scenarios do not differ significantly from the cash flows of a financial instrument with the same terms but without the contingency.

B) Clarifies that "non-recourse" financial assets refer to cases where the entity's ultimate right to receive cash flows is contractually limited to cash flows generated by specific assets.

C) Clarifies that "contractually linked instruments" establish a waterfall payment structure with multiple tranches of securities, creating concentrations of credit risk and resulting in disproportionate allocations of cash shortfalls among tranches.

b. Amendments to Application Guidance on the derecognition of financial liabilities:
Clarifies that financial liabilities should be derecognized on the settlement date. However, when an entity uses an electronic payment system to settle a liability, it may elect to derecognize the liability before the settlement date if:

- A) The entity has no practical ability to withdraw, stop, or cancel the payment instruction;
- B) The entity has no practical ability to access the cash used for settlement due to the payment instruction; AND
- C) The settlement risk associated with the electronic payment system is not significant.

The Company shall apply these amendments retrospectively without restating prior periods, and the cumulative effect of initial application shall be recognized on the date of initial application. However, an entity may elect to restate prior periods only if it is possible to do so without the use of hindsight.

Upon initial application of the IFRS Accounting Standards effective in 2026, the Company expects to adjust the derecognition timing for financial liabilities related to outstanding checks from the 'check date' to the 'date of clearance by the counterparty.' Additionally, green electricity purchase contracts previously subject to IFRS 9 will be re-evaluated and treated as 'executory contracts.' The Company will not restate comparative information.

The Company assesses that the application of the aforementioned amendments and interpretations will not have a material impact on its financial position or financial performance.

(3) 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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027(Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Translation to a Highly Inflationary 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: The FSC announced on September 25, 2025, that enterprises in Taiwan shall apply IFRS 18 from January 1, 2028. Early adoption is permitted once endorsed by the FSC.

A. 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 to an associate (or joint venture), or when the Company loses control of a subsidiary but retains significant influence (or joint control) over it, the Company shall recognize the full amount of gain or loss resulting from such transactions, provided that the aforementioned assets or the former subsidiary constitute a "business" as defined in IFRS 3 "Business Combinations."

Furthermore, if the Company sells or contributes assets to an associate (or joint venture), or loses control of a subsidiary in a transaction with an associate (or joint venture) while retaining significant influence (or joint control), but the aforementioned assets or the former subsidiary do not constitute a "business," the Company shall recognize the gain or loss resulting from the transaction only to the extent of the unrelated investors' interests in the associate (or joint venture). That is, the Company's share of the gain or loss shall be eliminated.

B. IFRS 18 "Presentation and Disclosure in Financial Statements" and Related Consequential Amendments

a. IFRS 18 will replace IAS 1 "Presentation of Financial Statements." Key changes under this standard include:

- A) The Company is required to assess whether it has specified main business activities related to investing in particular types of assets or providing financing to customers. Based on this assessment, income and expenses in the statement of profit or loss shall be classified into operating, investing, financing, income tax, and discontinued operations categories.
- B) 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.
- C) Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation and its subsidiaries 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 Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries label items as "other" only if it cannot find a more informative label.
- D) 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 Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries 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.

b. Consequential Amendments to IAS 7 "Statement of Cash Flows"

- A) When the Company prepares cash flows from operating activities using the indirect method, it shall use "operating profit or loss" as the starting point for the reconciliation.

B) Interest and dividends received shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company determines that it has specified main business activities, it must consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss to determine the corresponding classification of these cash flows in the statement of cash flows. However, each of these cash flows can only be classified into a single category within the statement of cash flows.

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

4. Summary of significant accounting policies

(1) Compliance statement

This is the Company's first set of consolidated financial statements prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and IFRIC as well as interpretation announcements approved by the FSC.

(2) Preparation bases

Other than the financial assets measured at the fair value and the pension liability recognized with the net value (assets less the present value of the liabilities due to defined benefits), the consolidated financial statements are based on historical costs, usually the fair value paid for the acquisition of assets.

(3) Consolidated bases

The consolidated financial statements include the financials of FRG and the entities (subsidiaries) it controls.

The consolidated comprehensive income statement has incorporated the operating incomes or losses of the acquired or disposed subsidiaries as of the dates of acquisition or disposal. Other comprehensive incomes of the subsidiaries are contributions to the FRG's owner's equity and non-controlling interests. In other words, the non-controlling interests are the loss balance.

The financial reporting of subsidiaries has been appropriately adjusted so that their accounting policies are consistent with the Company.

All the major transactions, balances, gains and losses between the Company and consolidated entities have been completely eliminated upon consolidation.

In case of any change in the ownership' equity of subsidiaries without causing the Company to use the control over the subsidiaries, such changes are treated as equity transactions. In order to reflect the corresponding change to the Company's shareholders' equity and non-controlling interests, the book values shall be adjusted. The delta between the adjustment in non-controlling interests and the fair value paid or received shall be recognized as part of the Company's owners' equity.

Upon the loss of the control over a subsidiary, the gain or loss from the disposal is the delta between the following: (1) the sum of the fair values charged for the assets and the fair value for the residual investment into the former subsidiary as of the date of control loss; (2) the sum of the book values for the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary as of the date of control loss. All the values recognized for the subsidiary concerned in other comprehensive incomes and the accounting treatment for the disposal of the relevant assets or liabilities must comply with the same basis.

The residual investment in the former subsidiary is based on the fair value on the date of control loss.

A. The detailed information of subsidiaries included in the consolidated financial statements, as follows:

Investing company	Subsidiary	Percentage of shares held by this Company	
		Dec. 31, 2025	Dec. 31, 2024
FRG	Ban Chien Development Co., Ltd. (Taiwan)	100%	100%
FRG	FRG US Corp. (San Francisco)	100%	100%

- a. Ban Chien Development Co., Ltd. is engaged in the development of residential and commercial buildings for renting and selling. The construction of such buildings is outsourced.
- b. In order to jointly invest in the development project of 950 Market Street in San Francisco, USA with Continental Construction Group, the establishment of FRG US Corp. was approved by the board of directors in 2017, As of December 31, 2025, with an investment limit of USD 43,500 thousand. Its main businesses are real estate investment, development and rental and sales of premises.

As of December 31, 2025 and 2024, FRG had cumulatively remitted Investment funds are NT\$1,273,181 thousand (USD 41,624 thousand) and NT\$993,446 thousand (USD32,474 thousand).

- c. The financial statements of the consolidated subsidiaries are based on their audited financial statements during the same period.

B. Subsidiaries not included in the consolidated financial statements:

The major business site of the Company's subsidiary Kingshale Industrial Limited is in Hong Kong and the Company has held 99.99% of the subsidiary's voting shares and ownership. The subsidiary is an intermediary company entrusted by the Company to transfer its investment in mainland China. For the current period, Kingshale Industrial Limited did not have any material transactions with the Company, and it did not have any material assets and liabilities left at the end of the period either. Hence, it was not included in the consolidated financial statement as an entity.

C. Subsidiaries that have non-controlling interests that are material to the Company: none

(4) Foreign Currency

The individual financial statements for the consolidated entities are prepared and presented in the functional currency for these entities (i.e. the currency used in the economy they operate in). The functional currency and the presentation currency of FRG's consolidated financial statements is NT Dollars. All the financial performances and statuses are converted into the NT dollars for the preparation of the consolidated statements.

Any transactions not in the functional currency shall be converted and recognized according to the exchange rate on the transaction dates in the preparation of the individual financial statements for the consolidated entities. The monetary items in foreign currencies shall be recalculated according to the spot exchange rate on the end-of-the-period date. Any difference resultant from exchange rates shall be recognized as profits or losses during the period. The non-monetary items in foreign currencies measured with the fair value shall be recalculated according to the exchange rate on the date of fair value determination. Any different resultant from exchange rates shall be recognized as profits or losses during the period. However, any difference as a result of changes in the fair value shall be recognized as other comprehensive incomes or losses. The non-monetary items in foreign currencies measured by historical costs shall not be recalculated.

For the purpose of presenting consolidated financial statements, the functional currencies of the group entities are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Standards to classify current and non-current assets and liabilities

The basis for current and non-current assets and liabilities for the real estate development business is based on the operating cycle. All the other items following the principles below: Current assets are the assets held for trading purposes or expected to be realized or exhausted within one year. Any assets not classified as current are non-current assets. Current liabilities are the liabilities held for trading purposes or expected to be repaid within one year. Any liabilities not classified as current are non-current liabilities.

(6) Cash equivalents

Cash equivalents can be converted into a fixed amount of cash at any time. They are short-term, highly liquid investments with minimum changes in value.

Bank overdrafts, a credit facility that can be immediately repaid, are part of the Company's cash management. They are reported under cash and cash equivalents in the statement of cash flows, and as an item in short term loans in current liabilities on the balance sheet.

(7) Inventory and real estate for sale and real estate under construction

Inventories include raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

If a house is exchanged for land under a subdivision contract and is classified as land for sale, no gain or loss is recognized on the exchange and revenue is not recognized until the land is sold to the buyer.

(8) Investments accounted for under equity method

Investments in associates are reported according to the equity method.

Associates are the companies over which FRG has significant influence. Associates are not entitles of subsidiaries.

The investment in associates shall be recognized as costs under the equity method. After the asset acquisition, the book value shall change in line with the Company's share of profits and losses, other comprehensive income and profit distributions. Meanwhile, the recognized equity value of the associates also changes in line with any increase or decrease in the Company's shares.

If the Company does not subscribe to the new shares of associates on a pro-rata basis according to existing holdings, and any increase or decrease is incurred to the percentage of the Company's holdings and hence net equity value of the investment, the adjustment shall be reflected with the change in capital surplus and according to the equity method. If the Company has not subscribed or acquired to new shares on a pro-rata basis and seen a reduction in its stake in the associates, the amounts recognized in other comprehensive income and the reclassification as a result of the values for the associates concerned should have the same basis for accounting treatment as if the assets or the liabilities of the associates were directly disposed. Any debit should be made from the capital surplus. However, if the capital surplus is insufficient for debits incurred by investments under the equity method, the debit may be drawn from retained earnings.

The residual investment of the previous associates should be measured with the fair value on the date of loss of significant influence. The delta between the sum of the fair value of the residual investment and the disposal amounts and the book value of the investment on the date of loss of significant control shall be recognized in the income statement during the period. Meanwhile, the values recognized in relation to the associates concerned in other comprehensive income shall have the same accounting basis as if the assets or the liabilities of the associates were directly disposed.

Only the profits and losses resultant from upstream, downstream and lateral transactions with associates not relevant to the Company's stake in the associates can be recognized in the consolidated financial statements.

(9) Property, plant and equipment

The property, plant and equipment are listed in accordance with cost less depreciation and accumulated impairment. Cost shall include the incremental cost able to be directly attributed to acquisition or asset implementation.

Straight-line method is applied to depreciation, by indicating the amount of an asset within the durable service life offset its cost and less its residual value. All the major components of the non-current assets shall be depreciated on a standalone basis. Depreciation is accrued in accordance with the following durable service years: building, 3-55 years; machinery equipment, 3-26 years; transportation and other equipments, 3-10 years.

Estimated durable service life, residual value and depreciation method shall be reviewed at the end of the reporting period; prospective application shall be made for any impact on estimation change.

The profit or loss incurred during disposition or obsolescence of property, plant and equipment shall be recognized in the income statement with the differential amount between the disposition price and asset book account.

(10) Investment property

Only if investment properties is attempted for earning rental or capital appreciation or both may it be classified as the investment properties. The investment properties shall be measured according to its original cost, including related transaction cost, and related interest capitalization shall be made during the construction period. Cost model shall be applied to follow-up measurement, to be measured by cost less the amounts of accumulated depreciation and accumulated impairment.

In case straight-line method is applied to depreciation and building depreciation accrued by 3-50 years.

Estimated durable service life, residual value and depreciation method shall be reviewed at the end of the reporting period; prospective application shall be made for any impact on estimation change.

The profit or loss incurred during disposition or obsolescence of property, plant and equipment shall be recognized in the income statement with the differential amount between the disposition price and asset book account.

(11) Lease

A. The Group 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. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group 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 Group. The lease payments are allocated between 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 a 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 between 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.

B. The Group as lessee

The Group 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 applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. 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 consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in an index or a rate used to determine those 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 consolidated balance sheets.

(12) Impairment of non-financial assets

The Group shall review the book amounts of tangible assets and intangible financial assets at the end of the reporting period to decide whether there is any impairment with such assets. In case it shows any impairment situation, the estimated recoverable amount of assets shall decide the recognized loss amount. In case there is no way of estimating the recoverable amount of an individual asset, the Group shall estimate the recoverable amount of the cash-generating unit of the said asset. In case it can be amortized according to a reasonable and conforming basis, shared assets shall also be amortized to an individual cash product sector. Otherwise it shall be amortized to the minimal cash-generating unit group according to a reasonable and conforming basis.

The recoverable amount shall be fair value less sales cost and its use value whichever is higher.

In case the recoverable amount of an asset or cash-generating unit is anticipated to be lower than the book amount, the book amount of the said asset or cash-generating unit shall be adjusted and decreased to its recoverable amount; any impairment loss shall be immediately recognized to the current profit and loss.

When any impairment loss reverses in a subsequent period, the book amount of asset or cash-generating unit shall be adjusted and increased to the estimated recoverable amount after revision, provided the book amount after increase shall be limited to the reasonable book amount under the situation when the said asset or cash-generating unit did not recognize an impairment loss in the past years (except for goodwill). The reversed impairment loss shall be immediately recognized to the current profit and loss.

(13) Employee benefits cost

The short-term employee benefits obligation is measured with the basis without discount, and shall be recognized as expenses when providing the related service. Concerning the anticipated payable amount concerning short-term cash bonus or a bonus sharing plan, if it is a current legal or prescribed obligation to be borne by a company due to the past service provided by employees, and the said obligation can be estimated in a reliable manner, such amount shall be listed as liability.

When an expense belongs to defined contribution plans, during the service period provided by employees, it is required to recognize the pension amount contributable as the current expense.

The cost of defined benefits (including service costs, net interests and re-measurements) shall be calculated according to the projected unit credit method. Service costs and net interests of the defined benefits liabilities shall be recognized as employee benefits expenses when incurred, or when the defined benefit plans is modified, shortened or repaid. The re-measurement shall be recognized as other comprehensive income and the retained earnings. There is not reclassification into profits and losses during subsequent periods.

Net defined benefit liabilities refer to the shortfall appropriation of the defined benefit retirement plan, whereas net defined benefit assets shall not exceed the plan's refunded amount or may reduce the present value of the future appropriation amount.

(14) Financial Instrument

Financial assets and financial liabilities shall be recognized when the Group becomes a party of the said financial instrument clause.

Upon the original recognition of financial assets and financial liabilities, they shall be measured according to fair values. Upon the original recognition, concerning the acquired or distributed transaction cost directly attributable to financial assets and financial liabilities (except for the financial assets and financial liabilities classified as measurement according to fair value of profit and loss), it shall be increased or decreased from the fair values of the said financial assets or financial liabilities. The transaction costs of financial assets and financial liabilities directly attributable to the ones measured according to fair values through profit and loss shall be immediately recognized as profit and loss.

(15) Financial assets

The convention trading of financial assets is recognized and removed by trading day accounting.

A. Type of measurement

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

a. Financial asset at FVTPL

Financial assets measured at fair value through profit or loss are financial assets mandatorily measured at fair value through profit or loss and financial assets at fair value through profit or loss, designated as upon initial recognition. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Company to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. The dividends and interests generated are recognized in other income and interest income, respectively, and any gain or loss arising from remeasurement is recognized in other gains and losses.

b. Measured at amortized cost

When a company after merger simultaneously meets the following two conditions in its investment in financial assets, the financial assets are classified as the ones carried at cost after amortization:

- A) The financial assets are held under a specific operation mode, in which the purpose of the mode is to hold the financial assets in order to collect contract cash flows.
- B) The cash flow generated on a specific date due to contract clauses is completely for the payment of the principal and the interest accrued from the outstanding principal amount.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Foreign exchange gains and losses are recognized in profit or loss.

Except for the two conditions below, the interest income is calculated by multiplying the effective interest rate by the total book value of the financial assets:

- A) The interest income of the purchased or originated credit-impaired financial assets is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortized financial assets.
- B) The interest income of the financial assets which are not purchased or originated credit-impaired but subsequently become credit-impaired financial assets is calculated by multiplying the effective interest rate by the cost of amortized financial assets.

c. Investment in debt instruments measured at FVTOCI

Debt instruments that meet the following two conditions are classified as financial assets at fair value through other comprehensive income:

- A) The debt instruments are held within a business model whose objective is to collect the contractual cash flows and to sell the financial assets; and
- B) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at fair value through other comprehensive income are measured at fair value. Changes in the carrying amount of investments in debt instruments at fair value through other comprehensive income, such as interest revenue calculated using the effective interest method, gain (loss) on foreign exchange and impairment loss or gain on reversal, are recognized in profit or loss. Other changes in the carrying amount of such instruments are recognized in other comprehensive income and will be reclassified to profit or loss when such instruments are disposed of.

d. 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 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, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI 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

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) investments in debt instruments at fair value through other comprehensive income, lease payments receivable due, and contract assets based on their expected credit losses on each balance sheet date.

The loss allowance for accounts receivable and lease payments receivable due is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The expected credit loss is calculated according to the average weighted credit loss in which the risk rated ratio of default occurrence is used in calculation. The 12-month expected credit loss represents the credit loss expected to occur to the financial instruments within 12 months after their reporting day due to possible default. The expected credit loss in the duration period refers to the credit loss expected to occur to the financial instruments in the expected duration period due to possible default.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial assets.

(16) Income recognition

After identifying the performance obligations of contracts with the customers, the Company allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are met.

(17) Borrowing costs

The cost of borrowing for the funds directly used to acquire, construct or produce the assets (which will reach the status ready for use or available for sale after a long period of time) can be treated as part of the asset costs, until the completion of almost all the necessary activities to get the assets ready for use or available for sale.

Other than the above, all the borrowing costs shall be recognized in the income statement during the current period.

(18) Income tax

Income tax expenses include income taxes during the period and deferred income taxes, and should be recognized as income taxes in the profit and loss income, except for the income taxes during the period and deferred income taxes recognized as other comprehensive incomes or directly as an equity item.

A. Current tax

The current income tax is based on the taxed income of the said year. Since partial income and expense is taxable item or deductible of other years, or not attributing to taxable or deductible item in accordance with related tax laws, it causes the taxable income to differ from the reported net profit in the consolidated income statement. The related liabilities of the current income tax are calculated by the legislated or substantially legislated tax rate at the end of the reporting period. It is estimated by the income tax of the previous year, serving as the adjustment of the current income tax.

According to the provisions of Income Tax Law, The unallocated earnings of the Company adding profit-seeking enterprise income tax shall be recognized as the current expense in the allocated earning year resolved in the shareholders' meeting

B. Deferred tax

Deferred income tax is recognized by the temporary differential calculation generated from the taxation basis of book amounts of the recorded assets and liabilities and income through taxation calculation. Deferred income tax liabilities in general are recognized by the temporary differences of all future taxes payable. Deferred income tax assets are recognized by all likely future taxes less the deductible temporary difference in use.

Deferred income tax assets and deferred income tax liabilities may only be mutually offset when concurrently conforming to the following conditions: (1) a company has legal execution right to mutually offset the current income tax assets and income tax liabilities; and (2) deferred income tax assets and deferred income tax liabilities are levied by the same taxation authority towards the same tax payment major entity, or levied towards different tax payment corporate entities, yet each major entity attempts to, at each future period of the deferred income tax liabilities or assets pay-off or recovery of the major amount, pay off the current income tax liabilities and assets on net-amount basis, or concurrently realize assets and pay off liabilities.

The temporary differences in tax payables related to invested subsidiary company and associates are all recognized as deferred income tax liabilities, provided if the Company can control the time point of temporary difference reverse, and the said temporary differences may very likely not be reversed in the foreseeable future are excluded. The deferred income tax assets generated from the related deductible temporary differences to this kind of investment and equity can only be recognized in the gains very likely with sufficient taxable income used to realize the temporary differences, and be within the scope of reverse within the anticipated future.

The book amounts of deferred income tax assets shall be reviewed at the end of the reporting period, and adjust and decrease the book amounts for all or partial assets without sufficiently taxable income to serve it to recover. Concerning the ones originally not recognized deferred income tax assets, they shall also be reviewed at the end of the reporting period, and adjust and increase the book amounts for all or partial assets very likely to generate taxable income to serve it to recover.

The deferred income tax assets and liabilities are measured by expected liabilities pay-off or assets in realizing the current tax rate, while the said tax rate shall be based on the legislated or already substantially legislated tax rate at the end of the reporting period. The measurement of deferred income tax liabilities and assets shall reflect the tax consequences of a company generated in expected recovery or pay-off of the book amounts of its assets and liabilities at the end of the reporting period.

(19) Treasury stocks

The recovered issued stock shall be recognized as treasury stocks in accordance with the paid cost upon buy-back. In case the disposition price in disposing treasury stocks is higher than the book value, its difference shall be listed as capital surplus – treasury stocks trade; in case the disposition price in disposing treasury stocks is lower than the book value, its difference shall be offset the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks; in case of any deficit, it shall be debited to keep the surplus. Weighted average shall be applied to the book value of treasury stocks and be separately calculated in accordance with the recovery reasons.

Upon cancellation of treasury stocks, it shall be debited to keep the capital surplus – stock issue premium and share capital; in case its book value is higher than the total sum of par value and stock issue premium, its difference shall offset the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks; in case of any deficit, it shall be debited to offset retained earnings; in case the book value of treasury stocks is lower than the total amount of par value and stock issue premium, it shall be credited as the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks.

5. Critical Accounting Judgements, And Key Sources Of Estimation And Uncertainty

The Group upon applying the accounting policy stated in Note 4 provides related judgments, estimations and assumptions for the information acquired from other resources which are based on historical experience and other factors deemed crucial. The actual result may differ from what is estimated.

The Company shall be continuously reviewing estimations and basic assumptions. In case the revision of estimations would influence the current period, then the current recognition shall be revised in accounting estimations. In case the revision of accounting estimations would concurrently influence the current period and future period, then the estimations revision shall be recognized in both the current period and future period.

The following shows the information related to major assumptions made in the future, and other major sources of uncertainty at the end of the financial reporting period; the said assumptions and estimations have risks of causing book amounts of assets and liabilities to incur major adjustments in the following fiscal year.

(1) Evaluation of inventory and real estate for sale

Since inventory and real estate for sale shall be priced by cost and net cash realizable value whichever is lower, therefore the Company shall use judgments and estimations to determine the net cash realizable value at the end of the financial reporting period.

Since industry rapidly changes, the inventory and real estate for sale of the Company at the end of the financial reporting period due to the amounts of normal wear and tear, obsolescence, or without market selling price, offsets its cost to decrease to its net cash realizable value. The evaluation of this inventory and real estate for sale mainly based on the product demand in the future specific period as estimation basis; therefore, it may generate major changes.

(2) Impairment evaluation of tangible assets and intangible assets (except for goodwill)

During the asset impairment evaluation process, the Company shall rely on subjective judgments and, with basis on asset use mode and rubber, real estate industry characteristics, determine independent cash flow asset durable years and future likely generated revenues and expenses of specific asset groups; any change in estimations from changes in economic status or corporate policies may likely cause major impairment in the future.

6. Cash and cash equivalents

	Dec. 31, 2025	Dec. 31, 2024
Cash and petty cash	\$ 583	\$ 522
Cash in bank	624,449	497,643
Cash equivalent		
Commercial paper	853,698	162,531
Time deposits with maturity	—	50,000
Total	<u>\$ 1,478,730</u>	<u>\$ 710,696</u>

7. Financial assets at fair value through profit or loss-current

	Dec. 31, 2025	Dec. 31, 2024
Current financial assets at fair value through profit or loss, designated as upon initial recognition		
Fund	<u>\$ 27,120</u>	<u>\$ 37,400</u>

8. Financial assets at fair value through other comprehensive income

	Dec. 31, 2025	Dec. 31, 2024
Equity instruments		
Stock of domestic listed (OTC) companies	\$ 5,158,164	\$ 5,305,816
Stock of foreign listed (OTC) companies	480,204	295,111
Stock not classified to listed (OTC) and emerging companies	68,965	67,329
Stock of foreign companies	325,201	676,175
Debt instruments		
Financial bond	—	59,763
Total	<u>\$ 6,032,534</u>	<u>\$ 6,404,194</u>
Current	<u>\$ 5,638,368</u>	<u>\$ 5,660,690</u>
Non-current	<u>\$ 394,166</u>	<u>\$ 743,504</u>

- (1) The Company signed a securities lending agreement with SinoPac Securities Corporation on April 10, 2020. Dividends and bonuses, being generated during the loan period should be repaid to the company. According to the agreement, when there is no loan transaction for more than three consecutive years, the agreement would be terminated. As of December 31, 2025 and 2024, the book value of stock lending were both NT\$0 thousand.
- (2) Credit risk management for investments in debt instruments

Investments in debt instruments were classified as at FVTOCI :

	Dec. 31, 2025	Dec. 31, 2024
Gross carrying amount	\$ —	\$ 64,996
Adjustment to fair value	—	(5,233)
Total	\$ —	\$ 59,763

As of December 31, 2024, the Company only invests in debt instruments that have low credit risk for the purpose of impairment assessment. The Company continuously tracks information to monitor changes in the credit risk of the debt instruments that it invests in, and also reviews other information such as material information about the debtor to assess whether there is a significant increase in credit risk since the investment was recognized.

The Company considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The book amounts of investments in each credit level debt instrument and the applicable expected credit loss rates are as follows:

Dec. 31, 2024		
Credit Rating	Expected credit loss rate	Through other comprehensive income measured at fair value of book amount
Performing	0%~0.09%	\$ 64,996

The allowance for impairment loss of investments in debt instruments at FVTOCI is as follows:

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Balance, beginning of year	\$ 13	\$ 12
Provision in this period	—	—
Derecognise in this period	(13)	—
Changes in risk parameters	—	1
Balance, end of year	\$ —	\$ 13

9. Notes and accounts receivable ,net

	Dec. 31, 2025	Dec. 31, 2024
Notes receivable	\$ 23,607	\$ 24,066
Allowance for doubtful accounts	(237)	(241)
Net amount	<u>\$ 23,370</u>	<u>\$ 23,825</u>

	Dec. 31, 2025	Dec. 31, 2024
Accounts receivable	\$ 108,784	\$ 121,732
Allowance for doubtful accounts	(2,226)	(2,437)
Net amount	<u>\$ 106,558</u>	<u>\$ 119,295</u>

(1) The crediting period of the Company to a customer in principle shall be 30 days after the invoice date, while partial customers are credit time 30 days to 90 days. In addition to the actual credit impairment of individual customers, the Company makes reference to historical experience, considers the financial situation of individual customers and the industry, competitive advantage and prospects, and differentiates customers into different risk groups and incorporates forward-looking information. The expected loss rate of the Company recognizes the allowance loss.

(2) Aging analysis of accounts receivable of the Company is stated as follows:

	Dec. 31, 2025		
	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 130,999	1~2%	\$ 2,394
Past due less than 90 days	1,392	2~5%	69
Past due 91-180 days	—	10~20%	—
Past due 181-365 days	—	50%	—
More than 366 days past due	—	100%	—
	<u>\$ 132,391</u>		<u>\$ 2,463</u>

	Dec. 31, 2024		
	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 144,579	1~2%	\$ 2,618
Past due less than 90 days	1,219	2~5%	60
Past due 91-180 days	—	10~20%	—
Past due 181-365 days	—	50%	—
More than 366 days past due	—	100%	—
	<u>\$ 145,798</u>		<u>\$ 2,678</u>

(3) Movements of the loss allowance of notes and accounts receivable were as follow:

	2025	2024
Balance, beginning of year	\$ 2,678	\$ 2,250
Expected credit impairment (gain) loss	(215)	428
Balance, end of year	\$ 2,463	\$ 2,678

10. Inventories

(1) Inventories - Manufacturing

A. The inventory details related to the rubber department is as follows:

	Dec. 31, 2025	Dec. 31, 2024
Raw materials	\$ 62,095	\$ 63,352
Work-in-process	13,024	11,585
Finished goods	98,706	99,795
Total	\$ 173,825	\$ 174,732

B. The cost of sales related to the rubber department is as follows:

	2025	2024
Cost of inventories sold	\$ 685,358	\$ 679,460
Provision for Reversal of loss on inventories	(16,518)	(725)
Unamortized fixed manufacturing costs	9,381	11,064
Total	\$ 678,221	\$ 689,799

The reversal of loss on inventories is due to the removal part of the inventory that has been listed for decline in price

(2) Inventories-Construction Industry

A. The inventory details and contract liabilities related to the construction department is as follows:

	Real estate for sale		Contract liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Bridge Upto Zenith Project at Banqiao	\$ 17,165	\$ 34,016	\$ —	\$ —
Modesty Home Project at Banqiao	14,923	14,923	—	—
Legend River Project at Xindian	92,728	92,728	—	—
Treasure Garden Project in Taichung City	236,653	236,653	—	—
55 TIMELESS Project in Taipei City	87,451	174,433	21,832	—
La Bella Vita Project in Taichung City	552,703	587,550	—	6,049
Ambassador Hotel Project in Kaohsiung City-Real estate under construction	1,440,362	1,440,362	—	—
960 Market Street	485,259	—	—	—
	\$ 2,927,244	\$ 2,580,665	\$ 21,832	\$ 6,049

- a. The Ambassador Hotel Co., Ltd. and Continental Engineering Corporation signed the Ambassador Hotel Project in Kaohsiung City, a collaborative development agreement in November 2021. The reconstruction plan is set out by the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and related regulations and requesting demolition and rebuild to the Authority which the new building would be developed, constructed, and sold tripartite mutually. The completion date of the reconstruction building is expected to be 1,600 work days after the approval date of the layout inspection.
- b. The recognition of contract liabilities arises from the timing difference between the transfer of goods or services to customers, thereby satisfying the performance obligation, and the receipt of payment from customers. When the Company satisfies its performance obligation, the contract liabilities are reclassified as revenue.
- c. The situation of pledge & guarantee in detail is shown in Note 32.
- d. Details of the real estate registered in others' names due to legal restrictions:

	Dec. 31, 2025	Dec. 31, 2024
960 Market Street	\$ 135,128	\$ —

For the security measures of the aforementioned pieces of real estate, the Company has already periodically checked relevant land transcripts and dispatched its personnel to monitor the latest usage status of the real estate.

B. The cost of sales related to the construction department is as follows:

	2025	2024
Cost of inventories sold	\$ 138,979	\$ 208,343

11. Other financial assets

	Dec. 31, 2025	Dec. 31, 2024
Pledged time deposits	\$ 40,000	\$ 20,000
Time deposits with maturity over three months	125,964	743,135
Total	\$ 165,964	\$ 763,135
Current	\$ 125,964	\$ 743,135
Non-current	\$ 40,000	\$ 20,000
Interest rate range %	0.84~4.18	0.84~4.9

The pledged time deposit serves as guaranty for logistics business and it is shown in Note 32.

12. Investments accounted for using equity method

(1) The investment of associates is listed as follows:

Name of Investee	Book value		The percentage of ownership interest and voting right directly held by the Company	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
<u>Unlisted (OTC) companies</u>				
Formosan Construction Corp. (Taiwan)	\$ 91,601	\$ 91,332	26.20	26.20
Fenghe Development Co., Ltd. (Taiwan)	53,086	47,030	39.90	39.90
Rueifu Development Co., Ltd. (Taiwan)	10,834	10,359	48.26	48.26
Total	<u>\$ 155,521</u>	<u>\$ 148,721</u>		

(2) Information about associates that are not individually material was as follows

	2025	2024
The Company's share of:		
Net profit from continuing operations for the year	\$ 15,372	\$ 15,142
Other comprehensive income	(5,380)	5,937
Total comprehensive profit	<u>\$ 9,992</u>	<u>\$ 21,079</u>

(3) On May 15, 2025, the associate, Fenghe Development Co., Ltd., distributed cash dividends, and the Company reduced its investment accounted for using the equity method by NT\$3,192 thousand.

(4) The investment gains and losses and other comprehensive income for the associates under the equity method have been recognized according to their audited financials.

13. Property, plant and equipment

Item	For the Year Ended December 31, 2025				
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 419,977	\$ —	\$ —	\$ —	\$ 419,977
Building	596,667	9,749	(4,636)	—	601,780
Machinery equipment	777,636	2,286	(5,995)	—	773,927
Transportation equipment	12,779	1,790	(2,048)	—	12,521
Other equipment	186,354	17,890	(6,386)	—	197,858
Unfinished construction and equipment to be inspected	103	11,629	—	—	11,732
Total	<u>1,993,516</u>	<u>43,344</u>	<u>(19,065)</u>	<u>—</u>	<u>2,017,795</u>
<u>Accumulated depreciation & impairment</u>					
Building	407,510	15,083	(4,636)	—	417,957
Machinery equipment	707,381	16,832	(5,995)	—	718,218
Transportation equipment	11,894	369	(1,994)	—	10,269
Other equipment	141,205	12,441	(6,386)	—	147,260
Total	<u>1,267,990</u>	<u>\$ 44,725</u>	<u>\$ (19,011)</u>	<u>\$ —</u>	<u>1,293,704</u>
Net	<u>\$ 725,526</u>				<u>\$ 724,091</u>

For the Year Ended December 31, 2024					
Item	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 419,977	\$ —	\$ —	\$ —	\$ 419,977
Building	602,859	5,152	(11,476)	132	596,667
Machinery equipment	801,984	16,605	(42,524)	1,571	777,636
Transportation equipment	12,779	—	—	—	12,779
Other equipment	170,375	17,377	(1,398)	—	186,354
Unfinished construction and equipment to be inspected	—	1,806	—	(1,703)	103
Total	<u>2,007,974</u>	<u>40,940</u>	<u>(55,398)</u>	<u>—</u>	<u>1,993,516</u>
<u>Accumulated depreciation & impairment</u>					
Building	401,651	14,630	(8,771)	—	407,510
Machinery equipment	714,029	18,295	(24,943)	—	707,381
Transportation equipment	11,586	308	—	—	11,894
Other equipment	132,863	9,454	(1,112)	—	141,205
Total	<u>1,260,129</u>	<u>\$ 42,687</u>	<u>\$ (34,826)</u>	<u>\$ —</u>	<u>1,267,990</u>
Net	<u>\$ 747,845</u>				<u>\$ 725,526</u>

- (1) The book values of land are adjusted with basis on the government published land value of 1975, 1979, 1980 and 1981 as well as current government-declared land value of 1992 and 2000; plant buildings and various equipments are re-evaluated in accordance with the commodity price indices in 1973 and 1980. Besides, the original revaluation increments are adjusted in relation to the tax rates of land value increment in compliance with land tax laws in January 2005.
- (2) The situation of pledge & guarantee in detail is shown in Note 32.
- (3) Unfinished construction represents soil and water conservation works commissioned by the Company on its own land. Please see note 31 for the status of transactions with related parties.

14. Lease

(1) Right-of-use assets

For the Year Ended December 31, 2025				
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
<u>Cost</u>				
Building	\$ 51,552	\$ 398	\$ —	\$ 51,950
Transportation equipment	7,422	—	—	7,422
Total	<u>58,974</u>	<u>398</u>	<u>—</u>	<u>59,372</u>
<u>Accumulated depreciation & impairment</u>				
Building	30,931	5,204	—	36,135
Transportation equipment	4,656	2,119	—	6,775
Total	<u>35,587</u>	<u>\$ 7,323</u>	<u>\$ —</u>	<u>42,910</u>
Net	<u>\$ 23,387</u>			<u>\$ 16,462</u>

	For the Year Ended December 31, 2024			
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
<u>Cost</u>				
Building	\$ 51,552	\$ —	\$ —	\$ 51,552
Transportation equipment	7,422	—	—	7,422
Total	58,974	—	—	58,974
<u>Accumulated depreciation & impairment</u>				
Building	25,775	5,156	—	30,931
Transportation equipment	2,210	2,446	—	4,656
Total	27,985	\$ 7,602	\$ —	35,587
Net	\$ 30,989			\$ 23,387

(2) Lease liabilities

	For the Year Ended December 31, 2025		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less 1 year	\$ 6,148	\$ 149	\$ 5,999
Over 1 years	11,117	116	11,001
Total	\$ 17,265	\$ 265	\$ 17,000

Range of discount rate for lease liabilities were as 1.09%~2.07%.

	For the Year Ended December 31, 2024		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less 1 year	\$ 7,646	\$ 231	\$ 7,415
Over 1 years	16,909	259	16,650
Total	\$ 24,555	\$ 490	\$ 24,065

Range of discount rate for lease liabilities were as 1.09%~2.07%.

(3) Other lease information

	2025	2024
Expenses relating to short-term leases	\$ (64)	\$ (57)
Total cash outflow for all lease agreements	\$ (7,760)	\$ (8,037)

(4) Please see note 31 for the status of transactions with related parties.

15. Investment property, net

For the Year Ended December 31, 2025							
Item	Balance, Beginning of Year	Additions	Disposals	Impairment	Reclassification	Effect of exchange rate changes	Balance, End of Year
<u>Cost</u>							
Land	\$ 1,135,037	\$ —	\$ —	\$ —	\$ —	\$ (1,255)	\$ 1,133,782
Building	2,709,938	—	(12,965)	—	805,137	(2,386)	3,499,724
Unfinished construction	645,046	164,997	—	—	(805,137)	—	4,906
Total	4,490,021	164,997	(12,965)	—	—	(3,641)	4,638,412
<u>Accumulated depreciation & impairment</u>							
Land	245,086	—	—	—	—	(248)	244,838
Building	1,043,721	65,091	(12,965)	—	—	(624)	1,095,223
Total	1,288,807	\$ 65,091	\$ (12,965)	\$ —	\$ —	\$ (872)	1,340,061
Net	\$ 3,201,214						\$ 3,298,351
Fair value	\$ 5,449,075						\$ 5,656,426

For the Year Ended December 31, 2024							
Item	Balance, Beginning of Year	Additions	Disposals	Impairment	Reclassification	Effect of exchange rate changes	Balance, End of Year
<u>Cost</u>							
Land	\$ 1,150,786	\$ —	\$ (17,631)	\$ —	\$ —	\$ 1,882	\$ 1,135,037
Building	2,706,357	—	—	—	—	3,581	2,709,938
Unfinished construction	215,726	429,320	—	—	—	—	645,046
Total	4,072,869	429,320	(17,631)	—	—	5,463	4,490,021
<u>Accumulated depreciation & impairment</u>							
Land	237,060	—	—	7,654	—	372	245,086
Building	988,223	54,630	—	—	—	868	1,043,721
Total	1,225,283	\$ 54,630	\$ —	\$ 7,654	\$ —	\$ 1,240	1,288,807
Net	\$ 2,847,586						\$ 3,201,214
Fair value	\$ 4,825,150						\$ 5,449,075

(1) Details of land:

	Dec. 31, 2025		Dec. 31, 2024	
	Ping	Cost	Ping	Cost
Oiashui Section, Longtan	16,691	\$ 66,692	16,691	\$ 66,692
Dahu Section, Miaoli	230,253	473,971	230,253	473,971
Shuiwei Section, Luzhu	11,298	248,148	11,298	248,148
Xinban Section, Banqiao	140	311,775	140	311,775
Zhuangjing Section, Xindian	53	4,694	53	4,694
Serif Project in San Francisco	—	28,502	—	29,757
Total		\$ 1,133,782		\$ 1,135,037

- (2) The Company leases the real estate held for investment, with the lease period as January 1, 2008 to March 2, 2035. Provisions for the lessee to adjust the rent based on market rents when exercising the renewal rights. The lessee does not have a preferential purchase right for the real property at the end of the lease term.

The maturity analysis of lease payments receivable under operating leases of investment properties as of was as follows:

	Dec. 31, 2025	Dec. 31, 2024
Year 1	\$ 243,884	\$ 141,946
Year 2	197,152	79,356
Year 3	128,071	58,847
Year 4	50,261	26,119
Year 5	44,921	22,913
Over 5 years	135,824	91,652
Total	\$ 800,113	\$ 420,833

- (4) The rent incomes during 2025 and 2024 totaled NT\$250,334 thousand and NT\$230,204 thousand, respectively.
- (5) For the Year Ended December 31, 2025 and 2024, the unfinished construction represents the Longtan Intelligent Park – Area A commissioned by the Company on its own land. The project obtained the occupancy permit on February 24, 2025; therefore, it has been reclassified as investment property – buildings. Please see note 31 for the status of transactions with related parties.
- (6) The fair value of investment properties is based on the transaction prices of adjacent assets, the economic environment and changes in the current land values published by the Taiwanese government. The assessment is based on market comparators and discounted cash flows. It is Level 3 fair value according to IFRS.
- (6) As of December 31, 2025 and 2024, the land at Dahu Section of Miaoli accumulated losses of reduction were both NT\$239,203 thousand.
- (7) Details of the farm land lots registered in others' names due to legal restrictions:

	Dec. 31, 2025	Dec. 31, 2024
Oiashui Section, Longtan	\$ 35,100	\$ 35,100
Dahu Section, Miaoli	94,241	94,241
Total	\$ 129,341	\$ 129,341

For the security measures of the aforementioned pieces of farm land, the Company has already periodically checked relevant land transcripts and dispatched its personnel to monitor the latest usage status of the real estate. Part of the land has been pledged to the Company. Please see note 31 (2) D for the status of transactions with related parties.

- (8) The situation of already providing to serve as loan guarantees from financial industries in detail is shown in Note 32.

16. Short-term borrowings

	Dec. 31, 2025	Dec. 31, 2024
Bank unsecured borrowings	\$ 975,000	\$ 1,035,000
Bank guaranteed loan	—	40,000
Total	\$ 975,000	\$ 1,075,000
Interest rate range %	1.85~2.04	1.72~2.36

The situation of pledge & guarantee in detail is shown in Note 32.

17. Long-term borrowings

	Dec. 31, 2025	Dec. 31, 2024
Long-term borrowings	\$ 233,111	\$ 198,000
Long-term borrowings, current portion	(9,842)	(198,000)
Total	\$ 223,269	\$ —
Interest rate range %	1.95	2.32
Loan repayment term	June, 2045	June, 2025

The situation of pledge & guarantee in detail is shown in Note 32.

18. Short-term notes and bills payable

	Dec. 31, 2025	Dec. 31, 2024
Commercial paper payable	\$ 60,000	\$ 150,000
Less: Unamortized discount	(50)	(193)
Net amount	\$ 59,950	\$ 149,807
Interest rate range %	1.55~1.92	1.5~1.9

The situation of pledge & guarantee in detail is shown in Note 32.

19. Employee pensions

(1) Defined contribution plans

The employee retirement plan established by the Company in accordance with “Labor Pension Act” belongs to a defined contribution plans. Concerning the above, the Company would contribute 6% of the monthly salaries of employees to the exclusive individual accounts of Labor Insurance Bureau. In accordance with the above related regulations, the pension costs recognized as expenses in the consolidated comprehensive income statement in 2025 and January 1 to December 31, 2024 are respectively NT\$5,952 thousand and NT\$6,263 thousand.

(2) Defined benefit plans

A. The employee retirement plan established by the Company in accordance with “Labor Standard Act” is a defined benefit plans. In accordance with the regulations of the said plan, the employee pensions are calculated by service years and the average wage of six months prior to retirement. For the above, the Company would contribute 2% of the total employee salaries as employee pension fund, to the Supervisory Committee of Workers’ Pension Preparation Fund to be deposited into an exclusive account of Bank of Taiwan. Before the end of year, if it is estimated the balance in the exclusive account is insufficient to pay the estimated labors conforming to retirement conditions in the following year, the Company would contribute the differential amount at once before the end of March in the following year.

The retired pension cost amount in consolidated comprehensive income statement listed to expense related to defined benefit plan is as follows:

	2025	2024
Service cost	\$ —	\$ —
Net interest cost	25	26
List to (profit) loss	\$ 25	\$ 26
Re-measurements		
Plan assets returns (excl. amount that covered in net interest income)	219	254
Actuarial (loss) profit - Change of the financial assumption	(105)	187
Actuarial loss - Adjustment with experience	(315)	(21)
Listed to other comprehensive income	\$ (201)	\$ 420

The details of the various costs and expenses recognized in profit or loss are as follows:

	2025	2024
Operating costs	\$ 19	\$ 20
Operating expenses	6	6
Total	\$ 25	\$ 26

The amount listed in the consolidated balance sheet for the obligation occurring from the defined benefit plan is as follows

	Dec. 31, 2025	Dec. 31, 2024
Defined benefit obligation present value	\$ 4,992	\$ 4,901
Plan asset fair value	(3,309)	(3,303)
Net defined benefit liability (assets)	\$ 1,683	\$ 1,598

The changed of defined benefit obligation present value of this Company is as follows:

	2025	2024
Beginning defined benefit obligation	\$ 4,901	\$ 5,005
Interest expense	80	62
Redemption or curtailments payment	(409)	—
Re-measurements		
Actuarial loss (profit) - Change of the financial assumption	105	(187)
Actuarial loss - Adjustment with experience	315	21
Ending defined benefit obligation	\$ 4,992	\$ 4,901

The changed of plan asset fair value of this Company is as follows:

	2025	2024
Beginning plan asset fair value	\$ 3,303	\$ 2,874
Interest income	55	36
Re-measurements		
Plan assets returns (excl. amount that covered in net interest income)	219	254
Contribution by employer	141	139
Redemption or curtailments payment	(409)	—
Ending plan asset fair value	\$ 3,309	\$ 3,303

The assets of defined benefits held by our company are deposited in financial institutions and invested in equity securities in Taiwan and overseas within the percentages and absolute amounts stipulated by the Bank of Taiwan for the discretionary investment of the funds for specific years. The operation of the funds is under the oversight by the Labor Pension fund Supervisory Committee. The minimum yields on the funds p.a. shall not fall below the two-year time deposit rates offered by local banks. Any insufficiency shall be made up by the national treasury following the approval from competent authorities.

Classification of Fair Values for Planned Assets

	Dec. 31, 2025	Dec. 31, 2024
Cash and cash equivalents	\$ 3,309	\$ 3,303

B. The main assumptions of the Company's actuarial valuation are as follows:

	Dec. 31, 2025	Dec. 31, 2024
Discount rate	1.40%	1.65%
Expected increase in future salaries	2.00%	2.00%

The Company is exposed to the following risks due to the pension system stipulated by the Labor Standards Act:

- a. The impact of the book value of the retirement pensions is as follows for any delta of each 0.25 basis points between the discount rate (or the expected increase in future salaries) and management estimates in 2025 and 2024.

Dec. 31, 2025	Effect on present value of defined benefit obligation	
	Actuarial assumption increased 0.25%	Actuarial assumption decreased 0.25%
Discount rate	\$ (105)	\$ 108
Expected increase in future salaries	\$ 107	\$ (105)

Dec. 31, 2024	Effect on present value of defined benefit obligation	
	Actuarial assumption increased 0.25%	Actuarial assumption decreased 0.25%
Discount rate	\$ (112)	\$ 116
Expected increase in future salaries	\$ 115	\$ (112)

Since actuarial assumptions may be mutually related, the possibility of change in an only one assumption is not high. Therefore, the above sensitivity analysis may be unable to reflect the actual change situation of the current value of defined benefits. Besides, in the above sensitivity analysis, the actuary of current value of defined benefits obligations at the end of the reporting period applies projected unit credit method, measured by the same basis of defined benefits liabilities listed in the consolidated balance sheet.

- b. The Company expects to contribute the amount of NT\$128 thousand to the defined benefit plans within one year after December 31, 2025; the weighted average duration of defined benefits obligations is 8 years.

20. Equity

(1) Share capital - common stock

	Dec. 31, 2025	Dec. 31, 2024
Authorized capital	\$ 6,800,000	\$ 6,800,000
Issued capital	\$ 3,035,934	\$ 3,035,934

1. The face value of the issued ordinary shares is NT\$10 per share. Each share has one vote and the right to dividends.

(2) Capital surplus

	Dec. 31, 2025	Dec. 31, 2024
Premium on capital	\$ 716	\$ 716
Conversion premium of corporate bonds	444,133	444,133
Gains of disposal of assets	1,238	1,238
Equity net value change of associates by equity method	3,658	3,658
Total	\$ 449,745	\$ 449,745

In accordance with regulations in laws, the capital surplus shall not be used except for covering company losses, but concerning the overage obtained from issued stock over par value (including issuance of common stock above par value, the premium on capital stock of stock issued for merge, corporate bond conversion premium and treasury stocks transaction, etc.) and capital surplus generated from income of receiving gifts. In the absence of accumulated losses, the Company may issue cash dividends or bonus shares to existing shareholders on a pro rata basis. Per the requirements of the Securities and Exchange Act, the appropriation of capital surplus to share capital is limited to 10% of the paid-in capital.

(3) Retained earnings

- A. In accordance with the FRG's Articles of Incorporation, any earnings during the year should be used to pay all the due taxes and make up the prior losses before distributions as follows:
- Provide 10% legal reserve, but it is not applicable to the case where the legal reserve already attains the total capital amount.
 - If necessary, in accordance with regulations of laws, allowance or reversal of special reserve shall be provided.
 - The earnings during the year available for distributions, along with the undistributed earnings from previous years, shall be distributed according to the proposal from the board. The distribution to shareholders shall be no less than 5% of the distributable accumulated earnings and shall be approved by the shareholders' meetings.

The enterprise life cycle of FRG belongs to “maturity period”. However, in order to pursue business sustainable development, respond to the future market demands and consider the future capital expenditure budget of the Company as well as maintenance stable dividend allocation, in which cash dividend shall be no lower than 10% of the total amount of shareholders’ dividend. But in case of fund requirements concerning any major investment plan, major operation change matters and productivity expansion or other major capital expenditures, etc., the board may propose it to be changed to distribution in stock dividend form in whole, and actions may be taken after a report to and consent from the shareholders’ meeting.

The Board of Directors is authorized to pass a resolution for the Company to distribute all or part of dividends or statutory surplus reserves and capital reserves in cash with the attendance of two thirds of the directors and the consent of more than half of the directors in attendance, which shall be reported to the shareholders’ meeting.

B. Legal reserve

Per the regulations set forth by the Company Act, the Company shall appropriate 10% of after-tax earnings as the legal reserve, until the amount of legal reserve is equivalent to that of paid-in capital, or use the earnings to reverse prior losses. In the absence of losses, the portion of reserves exceeding 25% of the paid-in capital can be used to issue cash dividends or bonus shares.

C. Special reserve

	Dec. 31, 2025	Dec. 31, 2024
The number of appropriation arising from the first adoption of IFRSs	\$ 294,810	\$ 296,475

Official Letter “Securities Issue” No. 1010012865 and No. 1010047490 released by the Financial Supervisory Commission and the IFRS standards provide answers to the questions regarding the appropriation, utilization and reversal of special reserve. If there is any reversal of the reduction of shareholders’ equity, the reserved portion may be used for earnings distributions.

D. FRG’s earnings distribution plans and cash dividends per share for 2025 and 2024 were resolved by the board of directors on March 10, 2026, and March 11, 2025, respectively, as follows:

	2025	2024
Cash dividend	\$ 425,031	\$ 425,031
Dividend per share (NT dollars)	1.4	1.4

E. FRG's earnings for 2024 and 2023 were appropriated with 10% allocated to the legal reserve and were approved by the shareholders' meetings on June 13, 2025, and June 7, 2024, respectively. The approvals remained the same as the original distribution proposals.

	2024	2023
Legal reserve	\$ 94,014	\$ 61,670

F. The board of the Company had resolved to approve the appropriation of the 2025 Legal Reserve on March 10, 2026, as follows:

	2025
Legal reserve	\$ 94,300

The Company's earnings distribution for 2025 is still pending for the approval from the shareholders' meeting in 2026.

(4) Other equity interest

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on Jan. 1, 2025	\$ 54,444	\$ 1,072,178	\$ 1,126,622
Exchange differences on translation of foreign financial statements	(33,927)	—	(33,927)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	—	298,678	298,678
Share of loss (profit) of associates accounted for using equity method	—	(5,380)	(5,380)
Disposal of financial assets at fair value through other comprehensive income - equity instrument	—	(433,678)	(433,678)
Balance on Dec. 31, 2025	\$ 20,517	\$ 931,798	\$ 952,315

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on Jan. 1, 2024	\$ 4,539	\$ 928,870	\$ 933,409
Exchange differences on translation of foreign financial statements	49,905	—	49,905
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	—	503,717	503,717
Share of loss (profit) of associates accounted for using equity method	—	5,937	5,937
Disposal of financial assets at fair value through other comprehensive income - equity instrument	—	(366,346)	(366,346)
Balance on Dec. 31, 2024	\$ 54,444	\$ 1,072,178	\$ 1,126,622

21. Operating revenue

	2025	2024
Net sales revenue	\$ 858,600	\$ 884,540
Construction revenue	256,319	294,753
Rental and logistics revenue	328,665	301,950
Total	<u>\$ 1,443,584</u>	<u>\$ 1,481,243</u>

The amount of revenue recognized at the beginning from the contractual liabilities for the period from January 1 to December 31, 2025 and 2024 are respectively NT\$6,049 thousand and NT\$0 thousand.

22. Operating costs

	2025	2024
Cost of sales	\$ 678,221	\$ 689,799
Cost of construction sales	138,979	208,343
Cost of rental and logistics	133,400	110,293
Total	<u>\$ 950,600</u>	<u>\$ 1,008,435</u>

23. Other income

	2025	2024
Dividend income	\$ 298,123	\$ 195,806
Other	5,146	6,415
Total	<u>\$ 303,269</u>	<u>\$ 202,221</u>

24. Other gains and losses

	2025	2024
Gains on disposals of investments	\$ 4,168	\$ 28,567
Loss on disposal of investments in debt instruments at fair value through other comprehensive income	(11,424)	—
Foreign currency exchange (loss) gain	(38,082)	73,494
Net gain on financial assets and liabilities at fair value through profit	25,481	104,260
Miscellaneous expense	(493)	(2,925)
Other losses	—	(17,631)
Gain (loss) on disposal of property, plant and equipment	203	(20,572)
Impairment loss	—	(7,654)
Total	<u>\$ (20,147)</u>	<u>\$ 157,539</u>

25. Finance costs

	2025	2024
Interest of bank loan	\$ 29,134	\$ 27,392
Interest of lease liabilities	233	332
Interest calculation on deposits	832	739
Capitalized interest	(7,329)	(8,305)
Total	\$ 22,870	\$ 20,158
Capitalized interest rate range %	1.78~2.51	1.63~2.32

26. Extra information on the items with the expense characteristics

The employee benefits, depreciation, depletion and amortization expenses incurred in this period are summarized below:

	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Salary expense	\$ 100,360	\$ 82,800	\$ 183,160	\$ 95,763	\$ 88,228	\$ 183,991
Labor and health insurance expenses	7,547	5,048	12,595	7,490	4,928	12,418
Pension expense	3,835	2,142	5,977	4,023	2,266	6,289
Other Personnel expense	1,909	926	2,835	1,924	970	2,894
Personnel expense	\$ 113,651	\$ 90,916	\$ 204,567	\$ 109,200	\$ 96,392	\$ 205,592
Depreciation expense	\$ 97,963	\$ 19,176	\$ 117,139	\$ 85,277	\$ 19,642	\$ 104,919

The compensations to employees and the remunerations to directors determined by the board on March 10, 2026 for the year 2025 and March 11, 2025 for the year 2024 are as follows:

	2025		2024	
	Amount	Estimated proportion	Amount	Estimated proportion
Compensations to employees	\$ 5,823	1%	\$ 6,571	1%
Remunerations to directors	5,823	1%	6,571	1%

FRG shall allocate from annual profits no less than 1% for compensations to employees and no more than 2% for remunerations to directors. However, annual profits should be prioritized for the reversal of cumulated losses if any. According to the amendments to the Securities and Exchange Act in August 2024, the Company approved a revision to its Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 30% for compensations to employees appropriated for the current year shall be allocated to grassroots employees.

The abovementioned compensations to employees may be paid with cash or shares. The employees include the employees of subsidiaries which meet the criteria set by the board. However, the remunerations to directors shall be paid in cash only.

Any changes to the published consolidated financial statements shall be treated as changes to accounting estimates and adjusted during the following year. There was no difference between the distributed amount of compensations to employees and remunerations to directors for 2023 and 2024, the recognized amount on the consolidated financial statements for 2023 and 2024.

Please refer to the details published on TSE Market Observation Post System for the information regarding the decisions by the board and annual general meetings on compensations to employees and remunerations to directors.

27. Income tax

(1) Income tax recognized in loss

The income tax expense listed as profit & loss is composed of as follows:

	2025	2024
Income tax current period:		
Occurred in current year	\$ (77,695)	\$ (66,872)
Additionally imposed undistributed earnings	(27,407)	(10,261)
Tax Refund for Substantial Investment Deduction	24,432	11,557
Adjustments for prior year	139	(4,032)
Paid for land value increment tax	(4,867)	(3,660)
Total	(85,398)	(73,268)
Deferred income tax:		
Occurred in current year	4,586	(6,902)
Total	4,586	(6,902)
Income tax expense listed as loss	\$ (80,812)	\$ (80,170)

The accounting benefit and income tax expense of current period are adjusted as follows:

	2025	2024
Income tax calculated according to the regulated tax rate of before-tax net income	\$ 128,070	\$ 134,314
The effect of tax in reconciliation items of income tax:		
When determining taxable income, adjustments should be made to increase	144,816	80,119
Tax-exempt income	(198,098)	(133,261)
Additionally imposed undistributed earnings	27,407	10,261
Adjustments for prior year	(139)	4,032
Paid for land value increment tax	4,867	3,660
Tax Refund for Substantial Investment Deduction	(24,432)	(11,557)
Other	2,907	(14,300)
Income tax expense current period	\$ 85,398	\$ 73,268

(2) Income tax expense recognized in other comprehensive income

	2025	2024
Remeasurement of defined benefit plans	\$ 40	\$ (84)
Unrealized (loss) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	(37,749)	22,770
Exchange differences on translation of foreign financial statements	8,482	(12,476)
Unrealized (loss) gains on valuation of investments in debt instruments measured at fair value through other comprehensive income	(1,047)	540
Income tax related to other comprehensive income	\$ (30,274)	\$ 10,750

(3) Deferred tax assets and liabilities

The analysis on deferred income tax assets and liabilities in balance sheet is as follows:

	2025			
	Balance, beginning of year	Recognized in profit (loss)	Recognized in other comprehensive income	Balance, end of year
Net defined benefit liability	\$ 320	\$ (23)	\$ 40	\$ 337
Unrealized (loss) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	58,072	—	(26,931)	31,141
Unrealized (loss) gains on valuation of investments in debt instruments measured at fair value through other comprehensive income	1,047	—	(1,047)	—
Unrealized exchange loss	—	46	—	46
Other	20,546	(2,327)	—	18,219
Deferred income tax assets	\$ 79,985	\$ (2,304)	\$ (27,938)	\$ 49,743
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$ (5,047)	\$ —	\$ (10,818)	\$ (15,865)
Exchange differences on translation of foreign financial statements	(13,611)	—	8,482	(5,129)
Unrealized exchange gain	(6,890)	6,890	—	—
Land value increment tax	(166,357)	—	—	(166,357)
Deferred income tax (liabilities)	\$ (191,905)	\$ 6,890	\$ (2,336)	\$ (187,351)

	2024			
	Balance, beginning of year	Recognized in profit (loss)	Recognized in other comprehensive income	Balance, end of year
Net defined benefit liability	\$ 426	\$ (22)	\$ (84)	\$ 320
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	30,518	—	27,554	58,072
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	507	—	540	1,047
Unrealized exchange loss	8,321	(8,321)	—	—
Other	15,406	5,140	—	20,546
Deferred income tax assets	\$ 55,178	\$ (3,203)	\$ 28,010	\$ 79,985
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$ (263)	\$ —	\$ (4,784)	\$ (5,047)
Exchange differences on translation of foreign financial statements	(1,135)	—	(12,476)	(13,611)
Unrealized exchange gain	—	(6,890)	—	(6,890)
Other	(3,191)	3,191	—	—
Land value increment tax	(166,357)	—	—	(166,357)
Deferred income tax (liabilities)	\$ (170,946)	\$ (3,699)	\$ (17,260)	\$ (191,905)

(4) The Company's and its subsidiaries Ban Chien Development Co., Ltd.'s income tax settlement application case approved by the competent authority is approved to 2023.

28. EPS

(1) Basic earnings per share

	2025	2024
Net income for the period attributable to owners of the Corporation	\$ 507,821	\$ 573,460
Weighted average number of ordinary shares (in thousand shares)	303,593	303,593
Basic EPS (NT dollars)	\$ 1.67	\$ 1.89

(2) Diluted earnings per share

	2025	2024
Net income for the period attributable to owners of the Corporation	\$ 507,821	\$ 573,460
Weighted average number of ordinary shares (in thousand shares)	303,593	303,593
Potentially ordinary stock- Employee bonus (in thousand shares)	283	304
Number of shares of diluted EPS (in thousand shares)	303,876	303,897
Diluted EPS (NT dollars)	\$ 1.67	\$ 1.89

If the Company can choose to distribute stocks or cash as the bonus for the employees, when calculating the earnings per share, the distribution of shares to the employees should be taken into consideration. In addition, the potential common shares which will dilute the earnings should be added into the weighted average number to calculate the diluted earnings per share. The distributed number of shares is estimated by the closing price of the common shares at the end of the reporting period (the effect of exclude right and exclude dividends is considered). The dilutive effect of the potential shares distributed to the employees will be taken into consideration when calculating the diluted EPS before the resolution concerning the number of shares to be delivered as bonus for employees is made in the shareholder meeting the following year.

29. Capital Management

The enterprise life cycle of the Company belongs to “maturity period”. However, in order to pursue business sustainable development, respond to the future market demands and consider the future capital expenditure budget of the Company as well as maintenance stable dividend allocation, on the whole, the Company applies a prudent risk management policy.

30. Financial instruments

(1) The types of financial instruments

	Dec. 31, 2025	Dec. 31, 2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 27,120	\$ 37,400
Financial assets at fair value through other comprehensive income	6,032,534	6,404,194
Amortized cost		
Cash and cash equivalents	1,478,730	710,696
Trade receivables	251,141	181,723
Other financial assets	165,964	763,135
Refundable deposits	73,248	51,970
Total	<u>\$ 8,028,737</u>	<u>\$ 8,149,118</u>
<u>Financial liabilities</u>		
Amortized cost		
Long&short-term borrowings	\$ 1,208,111	\$ 1,273,000
Short-term bills payable	59,950	149,807
Trade payables	304,942	232,558
Guarantee deposits received	52,680	48,667
Lease liabilities	17,000	24,065
Total	<u>\$ 1,642,683</u>	<u>\$ 1,728,097</u>

(2) Fair values of financial instruments

A. Financial instruments not measured with the fair value

The financial assets and financial liabilities not measured by fair values of this company include cash and equivalent cash, accounts receivable, other financial assets, long&short-term borrowings, short-term bonds payable and accounts payable. The maturity dates of this kind of financial products are rather short that their book values should belong to a reasonable foundation of estimating fair values. The above financial products shall not include refundable deposits and deposit received either, because their repayment dates are uncertain; therefore, their fair values are evaluated by the book values in balance sheets.

B. Fair value measurement of recognitions in balance sheet

The following table provides related analysis of financial instruments measured by fair values after original recognition, and the observable levels of fair values are divided into the first to the third level.

- a. The first-level fair value measurement refers to an open offer of the same asset or liability from an active market (without being adjusted).
- b. The second-level fair value measurement refers to a derived fair value of an observable input value belong to the said asset or liability either directly (i.e., price) or indirectly (i.e., to be derived from price) in addition to a first-level open offer.
- c. The third-level fair value measurement refers to a derived fair value of an input value of asset or liability not based on observable market data (non-observable input value) as the evaluation technique.

C. Concerning the financial instruments measured by fair values, the basic classification analysis of the Company in accordance with the nature, characteristics and risk as well as fair value level of asset and liability shall be as follows:

- a. The financial asset and liability measured by fair value on repeatable foundation:

Dec. 31, 2025				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Fund	\$ 27,120	\$ —	\$ —	\$ 27,120
<u>Financial assets at fair value through other comprehensive income</u>				
Stock of Listed (OTC) companies	\$ 5,638,368	\$ —	\$ —	\$ 5,638,368
Stock not classified to listed (OTC) and emerging companies	—	—	68,965	68,965
Financial bond	—	—	—	—
Stock of foreign companies	—	—	325,201	325,201
Total	\$ 5,638,368	\$ —	\$ 394,166	\$ 6,032,534

	Dec. 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Fund	\$ 37,400	\$ —	\$ —	\$ 37,400
<u>Financial assets at fair value through other comprehensive income</u>				
Stock of Listed (OTC) companies	\$ 5,600,927	\$ —	\$ —	\$ 5,600,927
Stock not classified to listed (OTC) and emerging companies	—	—	67,329	67,329
Financial bond	59,763	—	—	59,763
Stock of foreign companies	—	—	676,175	676,175
Total	\$ 5,660,690	\$ —	\$ 743,504	\$ 6,404,194

b. The financial asset and liability measured by fair value on non-repeatable foundation:
none

D. The first-level fair value measurement item applies a market offer as the fair value input value, with breakdown as follows:

Item	Market quoted
Stock of Listed (OTC) companies	Close price
Fund and Financial bond	The net assets

E. There was no change between Level 1 and Level 2 fair value measurements in 2024 and 2025.

F. In November 2024, Mercuries F&B Co., Ltd., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and they are currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the fourth quarter of 2024.

G. Adjustment of financial assets with the third-level fair value measurement:

	2025	2024
Beginning balance	\$ 743,504	\$ 821,967
Purchases	120,744	51,462
Capital return due to disinvestment	(1,600)	(900)
Listed to other comprehensive income of this year	(121,001)	(133,752)
Transfer to (out of) Level 3	34,088	(53,147)
Transferred to inventory	(321,643)	—
Disposal for the current period	(59,926)	57,874
Ending balance	\$ 394,166	\$ 743,504

H. Level 3 fair value measurement is based on net asset values. The Company takes great caution in the selection of valuation models and valuation parameters for the key, non-observable values. Therefore, the measurement of fair values should be reasonable. The use of different valuation models or valuation parameters may result in different numbers. For example, If the evaluation parameter's share price net multiplier increases, the market liquidity discount decreases, and the weighted average capital cost discount rate decreases, the fair value of the investment will be increased.

(3) Objective of financial risk management

The financial risk management of the Company is to manage currency exchange rate risk, interest rate risk, credit risk and liquidity risk related to operation activities. In order to reduce related financial risks, the Company has devoted to identification, evaluation and avoiding uncertainty of market, to reduce any potential unfavorable impact of market changes on the corporate financial performance.

The important financial activities of the Company are specified by the board and in accordance with related specifications and double checked through an internal control system. During the execution period of financial planning, the Company shall scrupulously observe the related financial operation procedures concerning comprehensive financial risk management and division of authority and responsibility.

(4) Market risk

The Company mainly exposes to such market risks as changes in foreign currency exchange rate and changes in interest rate, etc.

A. Foreign currency exchange rate risk

The foreign currency exchange rate risk of the Company mainly comes from Cash and cash equivalents, accounts receivable, other payables priced by foreign currency exchange, Financial assets at fair value through profit or loss as fund, Financial assets at fair value through other comprehensive income as overseas company stock and financial bond, and foreign currency time deposit with maturity period above three months.

The information concerning foreign currency financial assets and liabilities under material impacts of foreign currency exchange rate fluctuation shall be as follows:

	Dec. 31, 2025			Dec. 31, 2024		
	foreign currency	Exchange rate	Amount	foreign currency	Exchange rate	Amount
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	8,106	31.35	254,117	30,158	32.73	987,057
HKD	2,718	4.006	10,886	315	4.195	1,323
JPY	1,029,620	0.1986	204,483	131,486	0.208	27,349
RMB	2,873	4.466	12,836	1,699	4.453	7,573
<u>Non-monetary items</u>						
RMB	10,202	4.466	45,563	—	—	—
USD	—	—	—	377	32.73	12,354
JPY	2,417,947	0.1986	480,204	1,406,170	0.208	292,483
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	55	31.45	1,720	63	32.83	2,050
HKD	1	4.066	4	—	4.255	—
JPY	42	0.2027	8	16	0.2121	3
RMB	—	4.516	2	—	4.503	1

The sensitivity analysis concerning foreign currency exchange rate risk is calculated mainly for the monetary items of foreign currency at the end of the financial reporting period. When the appreciation/ depreciation of NT Dollar vs. foreign currency reaches 1%, the pre-tax profit and loss of the Company from January 1 to December 31, 2025 and 2024 would separately increase/decrease by NT\$4,806 thousand and NT\$10,212 thousand, respectively.

B. Interest rate risk

The interest rate risk refers to the risk in fair values of non-derivative financial instruments cause by changes of market interest rate. The interest rate risk of the Company mainly comes from long&short-term borrowings and short-term bonds payable. Concerning the sensitivity analysis of interest rate risk, it is calculated on basis of the fixed interest rate loan at the end of the financial reporting period, and it is assumed to be held for one year. In case the interest rate rises/drops 1%, the pre-tax profit and loss of the Company from January 1 to December 31, 2025 and 2024 would separately increase/ decrease by NT\$12,681 thousand and NT\$14,228 thousand, respectively.

C. Other price risks

The price risk of equity instruments of the Company mainly comes from the investment classified as Financial assets at fair value through other comprehensive income; and all major equity instrument investments may only be conducted after the approval of the board of the Company.

Concerning the sensitivity analysis of equity instrument price risks, it is calculated on basis of the changes in fair values at the end of the financial reporting period. In case the price equity instruments rises/drops 1%, the profit and loss of the Company from January 1 to December 31, 2025 and 2024 would separately increase/decrease by NT\$60,325 thousand and NT\$63,444 thousand, respectively.

(5) Credit risk management

The credit risk management refers to the opposing party of trade violates contract obligations and causes risks of financial loss to the Company. The credit risk of the Company comes mainly from the accounts receivable generated from operation activities, and bank deposits generated from investment activities and other financial instruments. Operation related credit risks and financial credit risks are under separate management.

A. Operation related credit risks

In order to maintain the quality of accounts receivable, the Company already establishes the procedures of operation related credit risks. The risk evaluation of an individual customer considers such numerous factors with potential impacts on customer payment abilities as the financial status of the said customer, internal credit ratings of the Company, historical trade record and current economic status, etc. The Company would also in due time uses certain credit enhancement tools, such as sales revenue received in advance and credit insurance, etc., to reduce credit risks of specific customers.

Up to December 31, 2025 and December 31, 2024, the accounts receivable balances of the top 10 major customers account for the accounts receivable balances of the Company respectively as 74% and 58% ; the risk concentration risks of the rest accounts receivable are relatively not major.

B. Financial credit risk

The credit risks of bank deposit and other financial instruments are measured and supervised by the Finance Department of the Company. Since the trade parties of the Company are all domestic banks with commendable credit, there is no suspicion of major contract performance; therefore, there is no major credit risk.

(6) Liquidity risk management

The object of liquidity risk management of the Company is to maintain cash and equivalent cash required for operation, securities with high liquidity, and sufficient bank financing quota, etc., to ensure the Company to possess sufficient financial flexibility, operation fund sufficient to cope up with the financial liabilities with agreed repayment periods.

A. The liquidity of non-derivative financial assets and liabilities

Dec. 31, 2025					
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Long&short-term borrowings	\$ 995,293	\$ 29,195	\$ 29,195	\$ 211,663	\$ 1,265,346
Short-term notes and bills payable	60,000	—	—	—	60,000
Trade payables	304,942	—	—	—	304,942
Lease liabilities	6,148	11,117	—	—	17,265
Guarantee deposits received	19,723	23,411	6,477	3,069	52,680
Total	<u>\$ 1,386,106</u>	<u>\$ 63,723</u>	<u>\$ 35,672</u>	<u>\$ 214,732</u>	<u>\$ 1,700,233</u>
Dec. 31, 2024					
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Long&short-term borrowings	\$ 1,281,916	\$ —	\$ —	\$ —	\$ 1,281,916
Short-term notes and bills payable	150,000	—	—	—	150,000
Trade payables	232,558	—	—	—	232,558
Lease liabilities	7,646	11,469	5,440	—	24,555
Guarantee deposits received	31,223	11,549	1,885	4,010	48,667
Total	<u>\$ 1,703,343</u>	<u>\$ 23,018</u>	<u>\$ 7,325</u>	<u>\$ 4,010</u>	<u>\$ 1,737,696</u>

B. Loan commitments

	Dec. 31, 2025	Dec. 31, 2024
Unsecured bank overdraft limit		
-Amount used	\$ —	\$ —
-Amount unused	30,000	60,000
	<u>\$ 30,000</u>	<u>\$ 60,000</u>
Unsecured bank loan limit		
-Amount used	\$ 825,000	\$ 1,185,000
-Amount unused	1,530,000	1,610,000
	<u>\$ 2,355,000</u>	<u>\$ 2,795,000</u>
Secured bank loan limit		
-Amount used	\$ 233,111	\$ 238,000
-Amount unused	810,000	1,072,000
	<u>\$ 1,043,111</u>	<u>\$ 1,310,000</u>

31. Related party transaction

(1) Name and relation ship with related parties

Name of related parties	Relationship with the Company
Formosan Construction Corp. (Formosan Construction)	Investee company accounted for using the equity method
Eurogear Corporation (Eurogear)	The president is the representative of the Company's legal person director
Chen Hsi Investment CO, LTD (Chen His Investment)	The president is the spouse of the general manager of the Company
Hung He Development CO, LTD (Hung He Development)	The president is the spouse (1st degree of kinship) of the Company's president
Engtown Construction Corp (Engtown Construction)	The president is the representative of the Company's legal person director
HSU, ZHEN-TSAI	President of Company

(2) Major transaction with related parties

A. Operating revenue -Rental

	2025	2024
Other	\$ 1,138	\$ 1,128
	Dec. 31, 2025	Dec. 31, 2024
Guarantee deposits received	\$ 274	\$ 274

The related enterprise leases the office to the Company, and the lease content is determined by the agreement between the two parties, and the rent is collected monthly.

B. Lease agreement

- a. Lease agreement signed by the Company with Formosan Construction, Eurogear, Chen Hsi Investment and Hung He Development in December 2018., with the lease period as of December, 2018 to December, 2028. The lease agreement is based on the Consumer Price Index (CPI) in the sixth, and it adjusts the rent according to the accumulated average CPI increase in the previous year. The Company does not have a preferential purchase right for the real property at the end of the lease term. The rent is the monthly payment.

lease liabilities	Dec. 31, 2025	Dec. 31, 2024
Formosan Construction	\$ 3,258	\$ 4,229
Eurogear	3,125	4,055
Chen Hsi Investment	6,635	8,610
Hung He Development	3,394	4,405
Total	\$ 16,412	\$ 21,299

	Dec. 31, 2025	Dec. 31, 2024
Refundable deposits	\$ 1,167	\$ 1,167
	2025	2024
Interest expense	\$ 203	\$ 259
Depreciation expense	\$ 5,204	\$ 5,155

b. The Right-of-use assets is adjusted based on the accumulated average CPI

	Dec. 31, 2025	Dec. 31, 2024
Formosan Construction	\$ 79	\$ —
Eurogear	76	—
Chen Hsi Investment	161	—
Hung He Development	82	—
Total	\$ 398	\$ —

C. As of December 31, 2025 and 2024, the farmland of investment property held in the name of the major management of FRG amount to NT\$109,204 thousand. Its ownership certificate is under custody of FRG, and its pledge is set to FRG for security purpose.

D. Acquisition of Investment property

	2025	2024
Engtown Construction	\$ 153,963	\$ 415,905

The Company commissioned Engtown in 2022 to work on the new construction project in Longtan Intelligent Park - Area A on the self-owned land with a total contract amount of NT\$ 770,000 thousand (tax inclusive). In addition, due to construction requirements, additional work items were added on June 30, 2025, in accordance with the contract terms. As of December 31, 2025, a total of NT\$ 774,361 thousand (tax included) has been paid for the first to the thirteenth phases of the project progress payments as well as the additional works. The project obtained the occupancy permit on February 24, 2025.

However, as the acceptance procedures are still in progress, the fourteenth and final installment amounting to NT\$36,667 thousand (tax excluded) remained unpaid as of December 31, 2025.

E. Acquisition of property, plant and equipment

	2025	2024
Engtown Construction	\$ 9,700	\$ —

The unfinished construction represents soil and water conservation works commissioned by the Company on its own land. The total price of the construction contract was NT\$10,185 thousand (tax inclusive). In December 31, 2025 for which the payment had been inspected, completed, and payment had been made.

(3) Reward to major management

The remuneration information to board directors and other major management members shall be as follows:

	2025	2024
Short-term benefits	\$ 59,946	\$ 66,322
Retirement benefit	576	679
Total	\$ 60,522	\$ 67,001

32. Pledged assets

The following assets are already provided to serve for guarantee of financial industry loans, material purchase and international logistics business, with the book amounts as follows:

	Dec. 31, 2025	Dec. 31, 2024
Other financial assets	\$ 40,000	\$ 20,000
Land under construction	1,440,362	1,440,362
Property, plant and equipment	277,605	279,623
Investment property - house and land	981,615	186,297
Total	\$ 2,739,582	\$ 1,926,282

33. Material contingent liabilities and unrecognized contract promise

(1) The total price of the construction contract signed by the Company for the new construction project was NT\$770,000 thousand. In addition, due to construction requirements, additional work items were added on June 30, 2025, in accordance with the contract terms. As of December 31, 2025, a total of NT\$774,361 thousand (tax included) has been paid. The project obtained the occupancy permit on February 24, 2025.

However, as the acceptance procedures are still in progress, the fourteenth and final installment amounting to NT\$36,667 thousand (tax excluded) remained unpaid as of December 31, 2025.

(2) The notes payable used as security issued by the Company on December 31, 2025 and December 31, 2024 due to the guarantee of the credit extension contract were NT\$3,025,000 thousand and NT\$3,175,000 thousand, respectively.

34. Important disaster loss: None

35. Important subsequent events: None

36. Others: None

37. Additional disclosed items

(1) Information regarding the material transaction items

A. The status of lending capital to others:

The status of lending capital to others

No. (Note 1)	Financing company	Counterparty	Financial statement account	Related party	Maximum balance for the Period	Ending balance (Note 2)	Amount actually drawn	Interest rate	Nature for financing	Transaction amounts	Reason for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 3)	Financing company's total financing amount limits (Notes 3)
													Item	Value		
0	The Company	FRG US Corp.	Other receivables	Yes	\$ 104,360 (USD 3,150)	\$ 98,753 (USD 3,150)	\$ 98,439 (USD 3,140)	4.31%	Short-term financing	—	Replenish working capital	—	—	—	\$5,393,182	\$5,393,182
0	The Company	FRG US Corp.	Other receivables	Yes	50,160 (USD 1,600)	50,160 (USD 1,600)	13,694 (USD 437)	3.69%	Short-term financing	—	Replenish working capital	—	—	—	5,393,182	5,393,182
0	The Company	FRG US Corp.	Other receivables	Yes	98,439 (USD 3,140)	98,439 (USD 3,140)	— (USD —)	4.31%	Short-term financing	—	Replenish working capital	—	—	—	5,393,182	5,393,182
1	FRG US Corp.	950 Investment LLC	Other receivables	NO	104,360 (USD 3,150)	98,753 (USD 3,150)	98,439 (USD 3,140)	5%	Short-term financing	—	Replenish working capital	—	—	—	336,377	420,471
1	FRG US Corp.	950 Investment LLC	Other receivables	NO	50,160 (USD 1,600)	50,160 (USD 1,600)	13,694 (USD 437)	5%	Short-term financing	—	Replenish working capital	—	—	—	336,377	420,471
1	FRG US Corp.	950 Investment LLC	Other receivables	NO	98,439 (USD 3,140)	98,439 (USD 3,140)	— (USD —)	5%	Short-term financing	—	Replenish working capital	—	—	—	336,377	420,471

Note 1: The explanation for the number column is as follows:

(1) Put “0” for the company.

(2) Put the serial No. starting from 1 for the investees by company category.

Note 2: The ending balance was approved by the Board of Directors.

Note 3: According to the Operation procedures of lending capital to others, the Company's lending capital total amount should be no more than 40% of this Company's net value, and its lending capital amount to an individual enterprise should be no more than 40% of the Company's net value. The subsidiary company's (FRG US Corp.) lending capital total amount should be no more than 50% of this Company's net value, and its lending capital amount to an individual enterprise should be no more than 40% of the Company's net value.

B. The status of endorsement and guarantee for others:

No. (note 1)	Company name of the endorsement / guarantee provider	Recipient of the endorsement/ guarantee		Endorsement/ guarantee quota for a individual enterprise (note 3)	Max. balance of the endorsement/ guarantee this period	Ending balance of the endorsement/ guarantee	Actual drawing amount	The endorsement / guarantee amount guaranteed by properties	Percentage of accumulated endorsement / guarantee amount in net value of the latest financial statements	Max. limit of the endorsement / guarantee (note 3)	Endorsement / guarantee from parent company to subsidiary	Endorsement / guarantee from subsidiary to parent company	Endorsement / guarantee to Mainland China
		Company name	Relation										
0	The Company	950Market Street	Note 2	\$ 2,022,443	\$ 341,432	\$ 341,432	\$ 304,345	—	2.53%	\$ 4,044,887	—	—	—

Note 1: The explanation for the number column is as follows:

(1) Put “0” for the company.

(2) Put the serial No. starting from 1 for the investees by company category.

Note 2: The relationships between endorsement/ guarantee provider and recipient: A company that is endorsed by each of the contributing shareholders in accordance with their shareholding ratio because of the joint investment relationship.

Note 3: According to the Operating procedures of endorsement and guarantee for others, the Company’s endorsement/ guarantee total amount should be no more than 30% of this company’s net value, and its endorsement/ guarantee amount to an individual enterprise should be no more than 15% of the Company’s net value.

C. Material securities held at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture) :

Name of this Company	Type and name of securities	Relation with securities issuer	Item listed on book	The end of the period				Remarks
				Share / unit numbers	Book value	Ratio of share holding %	Fair value	
FRG	<u>Fund</u> Allianz Global Investors Preferred Securities and Income Fund		Financial assets at fair value through profit or loss - current	997,009	\$ 9,123	—	\$ 9,123	
	<u>Stock</u> Taiwan Semiconductor Manufacturing Company Limited		Financial assets at fair value through other comprehensive income - current	475,000	736,250	—	736,250	
	Quanta Computer Inc.		"	1,193,000	324,496	0.03	324,496	
	Evergreen Marine Corporation (Taiwan) Ltd.		"	2,409,000	457,710	0.11	457,710	
	Ningbo Formosan Ind. Corp.		Financial assets at fair value through other comprehensive income – non-current	—	45,562	12.86	45,562	
	Formosan Chemical Ind. Corp.		"	22,516	24,368	2.25	24,368	
	Ta Shee Resort Co., Ltd.		"	1	20,400	—	20,400	
Ban Chien Development Co., Ltd.	<u>Fund</u> Yuanta Taiwan Dividend Plus ETF		Financial assets at fair value through profit or loss - current	490,000	17,998	—	17,998	
	<u>Stock</u> Sinopac Financial Holdings Company Limited		Financial assets at fair value through other comprehensive income - current	25,562,531	731,088	0.18	731,088	
FRG US Corp.	<u>Stock</u> TRIMOSA HOLDINGS LLC		Financial assets at fair value through other comprehensive income - non-current	—	279,639	14.56	279,639	

Note: Represents 5% or more of the respective account balance.

- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
- E. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
- F. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any material transactions between them: None.

(2) Related information to re-investment businesses

Investing company	Investee	Area	Business items	Original investment amount		Holding at the end of the period			Investee's profit (loss) of current period	Investment profit (loss) recognized current period	Remarks
				End of period for current period	End for last year	Share	Ratio (%)	Book value			
The Company	Ban Chien Development Co., Ltd.	Taiwan	Consign a contractor to build residential and commercial building for lease and sale	\$ 560,000	\$ 560,000	56,000,000	100.00	\$ 1,522,043	\$ 51,609	\$ 51,609	Subsidiary
	FRG US Corp.	U.S.A.	Real estate investment, development and rental and sales of premises.	1,273,181	993,446	20,812,000	100.00	840,942	(5,623)	(5,623)	Subsidiary
	KINGSHALE INDUSTRIAL LIMITED	Hong Kong	Investment	34	34	9,999	99.99	—	—	—	Subsidiary
	Formosan Construction Corp. (Taiwan)	Taiwan	Consign a contractor to build commercial building and public housing for lease and sale	75,979	75,979	7,597,927	26.20	91,601	19,814	5,456	
	Fenghe Development Co., Ltd.	Taiwan	Consign a contractor to build residential and commercial building for lease and sale	59,850	59,850	3,990,000	39.90	53,086	23,176	9,248	
	Rueifu Development Co., Ltd.	Taiwan	International trade, investment consultancy, office building for lease and building/land brokerage.	483	483	48,260	48.26	10,834	1,385	668	

(3) Information of the investment in China: None

38. Department information

(1) Operating department

- A. The operation departments required to be reported include Rubber, Construction and Warehousing Departments; Rubber Department engages in manufacture & sale of such products as rubber sheets, plastic sheets, plastic foam sheets and PVC resin sheets, etc.; Construction Department engages in constructing residential & commercial buildings for lease & sale; Warehousing Department engages in management of logistics storage.
- B. The department profit and loss refer to the profit earned by each department, excluding director/supervisor remuneration and investment profit & loss recognized by equity method. These measurement amounts shall be provided to the major operation decision makers, to be used to distribute resources to departments and evaluate their performance. Besides, there is no major discrepancy between the accounting policies used by Operation Department and the summary description of important accounting policies described in Note 4.

(2) Departments income and operating result

	2025					
	Rubber	Construction	Warehousing	Other	Adjustment and write-off	Total
Revenue from external customers	\$ 860,983	\$ 256,319	\$ 289,450	\$ 36,832	\$ —	\$ 1,443,584
Revenue from inter-departments	\$ —	\$ —	\$ 1,080	\$ —	\$ (1,080)	\$ —
Profit (loss) of departments	\$ 109,185	\$ 117,340	\$ 158,567	\$ 53,767	\$ —	\$ 438,859
Unclassified profit (loss)						(155,984)
Non-operating income and expenses						305,758
Profit before income tax						\$ 588,633
Income tax (expense) profit						\$ (80,812)

	2024					
	Rubber	Construction	Warehousing	Other	Adjustment and write-off	Total
Revenue from external customers	\$ 886,660	\$ 294,753	\$ 274,449	\$ 25,381	\$ —	\$ 1,481,243
Revenue from inter-departments	\$ —	\$ —	\$ 1,080	\$ —	\$ (1,080)	\$ —
Profit (loss) of departments	\$ 123,221	\$ 86,410	\$ 146,156	\$ 50,743	\$ —	\$ 406,530
Unclassified profit (loss)						(158,784)
Non-operating income and expenses						405,884
Profit before income tax						\$ 653,630
Income tax (expense) profit						\$ (80,170)

(3) Regional information:

Region	Revenue from external customers		Non-current assets	
	2025	2024	Dec. 31, 2025	Dec. 31, 2024
Asia	\$ 1,170,567	\$ 1,203,496	\$ 4,135,238	\$ 4,039,534
Europe	201,961	164,756	—	—
United States- Canada	65,221	110,095	61,339	65,603
Other region	5,835	2,896	—	—
Total	\$ 1,443,584	\$ 1,481,243	\$ 4,196,577	\$ 4,105,137

The above non-current assets shall not include financial products and deferred income tax assets

(4) Products information

Products	2025	2024
Rubber	\$ 858,600	\$ 884,540
Real property	256,319	294,753
Other	328,665	301,950
Total	\$ 1,443,584	\$ 1,481,243

(5) Important customer information: The customers whose net incomes accounting for more than 10% of the income in the Rubber Department of 2025 and 2024 are as follows:

Rubber Enterprise Dept.					
2025			2024		
Customer	Amount	Proportion to operating income	Customer	Amount	Proportion to operating income
Customer A	\$ 129,667	15.10%	Customer A	\$ 126,384	14.29%
			Customer B	102,145	11.55%