

【Stock Code: 1315】

Tahsin Industrial Corporation and Subsidiaries  
Consolidated Financial Statements and Independent Auditor's Report  
For the Years Ended December 31, 2025 and 2024

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Tahsin Industrial Corporation  
Statement of Declaration

The entities that are required to be included in the combined financial statements of Tahsin Industrial Corporation as of and for the year ended December 31, 2025, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Tahsin Industrial Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Special Declaration

Name: Tahsin Industrial Corporation

Person-in-charge: Wu, Zi-Cong

March 12, 2026

## Independent Auditors' Report

To Tahsin Industrial Corporation:

### Audit Opinion

Tahsin Industrial Corporation and subsidiaries' Consolidated Balance Sheets as of December 31, 2025 and 2024, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the years then ended, have been audited by the CPAs.

In our opinion, the Consolidated Financial Statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", which bring impact of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs") endorsed and effected by the Financial Supervisory Commission (hereinafter referred to as the "FSC") in all material aspects, and are considered to have reasonably expressed the Tahsin Industrial Corporation's and subsidiaries' financial conditions as of December 31, 2025 and 2024, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2025 and 2024.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent from Tahsin Group pursuant to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as 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 of Tahsin Industrial Corporation and its subsidiaries for the year ended December 31, 2025. Such matters have been dealt with in the course of auditing the consolidated financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually. The key audit matters for the consolidated financial statements of Tahsin Industrial Corporation and its subsidiaries for the year ended December 31, 2025 are as follows:

#### Revenue recognition

Please refer to Note 4 (18) of the Consolidated Financial Statements for accounting policies regarding revenue recognition; please see Note 5 (1) 3 of the Consolidated Financial Statements for critical accounting judgments, estimates, and assumptions regarding revenue recognition; please see Note 6 (22) of the Consolidated Financial Statement for disclosure of information related to income.

#### Key Audit Matters:

The operating revenue of Tahsin Industrial Corporation and subsidiaries comes mainly from sale of products. Recognition of sales revenue is mainly to verify whether the control over goods is transferred to buyers and whether there are no non-performance obligations that may affect the acceptance of products, and also is the main indicator for investors and the management to assess the financial or business performance of Tahsin Industrial Corporation and subsidiaries. As the accuracy of the amount and timing of revenue recognition has a great influence on the financial statements, we have thus included it as one of the key audit matters.

Audit procedures adopted:

Our audit procedures include (i) understanding and testing the effectiveness of internal control mechanisms adopted by the management on revenue recognition; (ii) sampling and reviewing records of sales revenue recognition (including shipping documents) over a certain period of time before the balance sheet date, and determining the appropriateness of recognition timing thereof; (iii) testing selected underlying transactions before and after the end of the reporting date to verify if they were recognized in the correct period; (iv) assessing whether the risks and rewards of goods, of which the revenue had been recognized, have been transferred; and (v) performing a trend analysis on major buyers and revenues by product to determine if material irregularities exist.

#### Cash and cash equivalents

Please refer to Note 4 (6) of the consolidated financial statements for details of the accounting policies for cash and cash equivalents. Please refer to note 6 (1) of the consolidated financial statements for details of the accounting items of cash, equivalent cash and time deposits with an original maturity of more than three months.

#### Key Audit Matters:

As of December 31, 2025, the cash and cash equivalents held by Tahsin Industrial Corporation and subsidiaries and time deposits with original maturities of more than three months and more than one year carrying value (listed in other financial of assets-current and other financial assets-non-current) is NTD2,670,835 thousand, accounting for approximately 25% of total assets, and the amount is significant to the consolidated financial statements. Due to the inherent risk of cash and cash equivalents and time deposits with an original maturity of more than three months and more than one year, we list these items as one of the key audit items.

#### Audit procedures adopted:

1. Evaluate and test the effectiveness of the design and implementation of the internal control system for cash and cash equivalents and term deposits with initial terms of over three months and over one year.
2. Conduct significant transactions test and verification procedures for frequent bank accounts, including understanding the purpose of the bank account and reviewing relevant transaction vouchers to confirm the reasonableness of the receipt and payment of huge bank deposits.
3. Conduct an inventory verification process on cash and term deposits, including checking whether term deposits have provided guarantees or pledged to confirm consistency with the disclosures in the financial statements.
4. To obtain a breakdown of the balances of cash and cash equivalents and term deposits with initial terms of over three months and over one year and to check the balance on bank statements and the relevant transaction evidence to confirm the existence. In addition, check the amount on the correspondence response letter for all financial institutions and examine whether there are any restricted incidents, which have been properly disclosed.

#### Financial assets measured at fair value through other comprehensive income

Accounting policies related to financial assets measured at fair value through other comprehensive income are detailed in Note 4 (7) of the consolidated financial statements; significant accounting judgments, estimates, and assumptions regarding the classification and fair value measurement of financial assets are provided in Note 5 (1) and 5 (2) of the consolidated financial statements; explanations regarding the accounting items of financial assets measured at fair value through other comprehensive income are disclosed in Note 6 (3) and 6 (7) of the consolidated financial statements.

#### Key Audit Matters:

As of December 31, 2025, the carrying amount of financial assets measured at fair value through other comprehensive income held by Tahsin Industrial Corporation and subsidiaries amounted to NTD3,886,850 thousand, accounting for approximately 36% of the total assets. The amount is significant to the overall consolidated financial statements. Therefore, the auditor considers these items as one of the key audit matters.

#### Audit procedures adopted:

1. Evaluate and test the effectiveness of internal control systems design and execution related to investment operations, including whether transactions are appropriately approved.
2. Perform substantive audit procedures on financial assets measured at fair value through other comprehensive income, including verifying the accuracy of initial recognition and subsequent measurement amounts, cross-checking relevant documents, obtaining confirmations or verifying relevant documents to confirm whether collateral or pledges have been provided, ensuring consistency with financial reporting information disclosure.

#### **Other Matters**

We have also audited the Parent Company Only Financial Statements of Tahsin Industrial Corporation for 2025 and 2024, on which we have issued an unqualified opinion.

### **Responsibilities of the Management and the Governance Unit for the Consolidated Financial Statements**

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the responsibility of management includes assessing the ability of Tahsin Industrial Corporation and its subsidiaries to continue as going concerns, disclosing related matters, as well as adopting the going-concern basis of accounting, unless the management intends to liquidate Tahsin Industrial Corporation and subsidiaries or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

Those charged with governance (including the Audit Committee) are responsible for overseeing Tahsin Industrial Corporation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that misstated amounts, individually or in aggregate, could have influenced the economic decisions made by the users of the consolidated financial statements, it will be deemed as material.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Tahsin Industrial Corporation and subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures has made.
4. Based on the audit evidence acquired, on the appropriateness of the management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Tahsin Industrial Corporation and subsidiaries to continue to operate as going concerns. If we believe there may be factors causing significant uncertainties, we are required to remind the users of the consolidated financial statements in our audit report of the relevant disclosures therein, or to amend our report if inappropriate disclosure was made. Our conclusions are based on information available at the date of the auditor's report. However, future events or circumstances may cause Tahsin Industrial Corporation and subsidiaries to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of the components within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the work performed, and are responsible for forming our audit opinion on the Group.

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.

We determined the key audit matters of the consolidated financial statements of Tahsin Industrial Corporation and subsidiaries of 2025 from the matters communicated with the governance authorities. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

Crowe Horwath (TW) CPAs

CPA: Wang Wu-Chang

CPA: Lin Chih-Lung

No. of the official approval: FSC No. 10200032833

March 12, 2026

**Tahsin Industrial Corporation and subsidiaries**

**Consolidated Balance Sheets  
December 31, 2025 and 2024**

Unit: Thousand NTD

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$2,383,997	22	\$2,202,455	22
1110	Financial assets at fair value through profit and loss-current (Notes 4 and 6(2))	18,141	-	19,245	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 6 (3))	3,246,121	30	2,727,275	27
1150	(Net) Notes receivables (Note 6 (4))	49,778	-	58,979	1
1170	(Net) Accounts receivable (Note 6 (5))	331,245	3	379,709	4
1180	(Net) Accounts receivable – related parties (Note 6 (5))	10,102	-	22,126	-
1200	Other receivables	19,666	-	19,202	-
1210	Other receivables - related parties	557	-	893	-
1220	Current income tax assets	3,446	-	3,687	-
130x	Inventories (Notes 4 and 6 (6))	533,639	5	628,487	6
1410	Prepayments	52,426	1	44,348	-
1476	Other financial assets - current (Note 6 (1))	213,067	2	296,743	3
1479	Other current assets - Others	791	-	590	-
11xx	<b>Total current assets</b>	<b>6,862,976</b>	<b>63</b>	<b>6,403,739</b>	<b>63</b>
	<b>Non-current Assets</b>				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 6 (7))	640,729	6	606,729	6
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	428,138	4	447,591	4
1600	Property, plant and equipment (Notes 4 and 6 (9))	2,187,443	20	2,113,468	21
1755	Right-of-use asset (Notes 4 and 6 (10))	81,205	1	123,419	1
1760	Investment properties - net (Notes 4 and 6 (11))	397,808	4	345,451	3
1840	Deferred tax assets (Note 6 (28))	107,378	1	88,831	1
1920	Refundable deposits	3,832	-	6,084	-
1970	Other long-term investment (net)	810	-	810	-
1975	Net defined benefit asset – non-current (Note 4 and 6 (12))	24,016	-	14,983	-
1980	Other financial assets – non-current (Note 6 (1))	73,771	1	73,475	1
1995	Other non-current assets, others	4,876	-	14,075	-
15xx	<b>Total non-current assets</b>	<b>3,950,006</b>	<b>37</b>	<b>3,834,916</b>	<b>37</b>
1xxx	<b>Total Assets</b>	<b>\$10,812,982</b>	<b>100</b>	<b>\$10,238,655</b>	<b>100</b>

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**Tahsin Industrial Corporation and its subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2025 and 2024**

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	<b>Current liabilities</b>				
2100	Short-term loans (Note 6 (13))	\$109,340	1	\$118,503	1
2120	Financial liabilities at fair value through profit or loss, current (Notes 6 and 6 (12))	54	-	-	-
2130	Contract liabilities - current (Note 6 (22))	11,264	-	44,271	-
2150	Notes payable	68,991	1	101,309	1
2170	Accounts payable	35,702	-	58,648	1
2200	Other payables (Note 6 (14))	172,599	2	195,612	2
2220	Other payables- related parties	5,109	-	6,256	-
2230	Current income tax liabilities	19,648	-	23,925	-
2250	Provisions - current (Notes 4 and 6 (15))	8,458	-	8,458	-
2280	Lease liabilities - current (Note 6 (10))	8,732	-	11,931	-
2399	Other current liabilities - others	2,133	-	1,864	-
21xx	<b>Total current liabilities</b>	<b>442,030</b>	<b>4</b>	<b>570,777</b>	<b>5</b>
	<b>Non-current liabilities</b>				
2570	Deferred tax liabilities (Note 6 (28))	187,516	2	199,479	2
2580	Lease liabilities - non-current (Notes 6 (10))	15,695	-	52,216	1
2645	Guarantee deposits received	9,041	-	5,834	-
25xx	<b>Total non-current liabilities</b>	<b>212,252</b>	<b>2</b>	<b>257,529</b>	<b>3</b>
2xxx	<b>Total liabilities</b>	<b>654,282</b>	<b>6</b>	<b>828,306</b>	<b>8</b>
	<b>Equity</b>				
	<b>Equity Attributable to the Shareholders of the Parent Company</b>				
3100	Share capital (Note 4 and 6 (16))	990,990	9	990,990	10
3200	Capital surplus (Note 6 (17))	256,341	2	239,999	2
3300	Retained earnings (Note 6 (18))	7,733,281	72	7,564,645	74
3400	Other equity (Note 6 (19))	1,229,057	12	668,849	7
3500	Treasury shares (Note 6 (20))	(83,230)	(1)	(83,230)	(1)
31xx	<b>Total equity attributable to owners of the parent company</b>	<b>10,126,439</b>	<b>94</b>	<b>9,381,253</b>	<b>92</b>
36xx	Non-controlling interests (Note 6 (21))	32,261	-	29,096	-
3xxx	<b>Total equity</b>	<b>10,158,700</b>	<b>94</b>	<b>9,410,349</b>	<b>92</b>
	<b>Total liabilities and equity</b>	<b>\$10,812,982</b>	<b>100</b>	<b>\$10,238,655</b>	<b>100</b>

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Chen, Yi-Chien

Chief Accountant: Chen, Ming-Je

**Tahsin Industrial Corporation and its subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2025 and 2024**

Unit: Thousand NTD

Code	Items	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (22))	\$2,282,534	100	\$2,147,060	100
5000	Operating Costs (Note 6 (6) (23))	(1,951,102)	(85)	(1,858,012)	(87)
5900	Gross Profit	331,432	15	289,048	13
	Operating expenses (Note 6 (23))				
6100	Marketing expenses	(121,939)	(5)	(119,053)	(6)
6200	Administrative expenses	(236,190)	(11)	(241,026)	(11)
6450	Expected credit losses (benefits)	627	-	(3,961)	-
6000	Total operating expenses	(357,502)	(16)	(364,040)	(17)
6900	Operating profit (loss)	(26,070)	(1)	(74,992)	(4)
	Non-operating income and expenses				
7100	Interest income (Note 6 (24))	74,553	3	85,424	4
7010	Other income (Note 6 (25))	166,715	7	145,890	7
7020	Other gains and losses (Note 6 (26))	(70,862)	(3)	85,548	4
7050	Finance costs (Notes 4 and 6 (27))	(2,315)	-	(2,374)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	20,235	1	22,524	1
7000	Total non-operating income and expenses	188,326	8	337,012	16
7900	Net profit before tax	162,256	7	262,020	12
7950	Benefit of income tax (expense) (Note 6 (28))	(11,326)	-	(53,123)	(2)
8000	Profit from continuing operations	150,930	7	208,897	10
8200	Profit	150,930	7	208,897	10
	Other comprehensive income (Note 6 (29))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (12))	5,366	-	14,613	-
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	1,049,983	46	(945,657)	(44)
8326	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	(21,008)	(1)	(24,638)	(1)
8310	Components of other comprehensive income that will not be reclassified to profit or loss:	1,034,341	45	(955,682)	(45)
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(15,192)	-	30,593	1
8367	Unrealized valuation profit or loss on investment in debt instruments financial assets at fair value through other comprehensive income at FVTOCI	4,843	-	(9,547)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	3,032	-	(5,969)	-
8360	Items that may be reclassified subsequently to profit or loss:	(7,317)	-	15,077	1
8300	Other comprehensive income - net after tax	\$1,027,024	45	(\$940,605)	(44)
8500	Total Comprehensive Income for the Year	\$1,177,954	52	(\$731,708)	(34)
8600	Profit (loss), attributable to:				
8610	Shareholders of the parent company (net income/loss)	\$147,732	7	\$205,569	10
8620	Non-controlling interests (profit or loss)	3,198	-	3,328	-
		\$150,930	7	\$208,897	10
8700	Total comprehensive income attributable to:				
8710	Owners of the parent company (consolidated profit and loss)	\$1,174,789	52	(\$735,782)	(34)
8720	Non-controlling interests (consolidated profit and loss)	3,165	-	4,074	-
		\$1,177,954	52	(\$731,708)	(34)
	Earnings Per Share				
9750	Basic earnings per share (NTD) (Note 6 (30))	\$1.55		\$2.15	
9850	Diluted earnings per share (NTD)	\$1.55		\$2.15	

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Chen, Yi-Chien

Chief Accountant: Chen, Ming-Je

**Tahsin Industrial Corporation and its subsidiaries**

**Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2025 and 2024**

Unit: Thousand NTD

	Equity Attributable to the Shareholders of the Parent Company										
	Retained earnings					Other Equity					
	Share capital of common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (or loss to be compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity to owners of the parent company	Non-controlling interests	Total Equity
Balance as of January 1, 2024	990,990	221,869	1,570,733	573,800	5,430,517	(87,329)	1,977,050	(83,230)	10,594,400	28,730	10,623,130
Appropriation and distribution of earnings:											
Ordinary cash dividends	-	-	-	-	(495,495)	-	-	-	(495,495)	-	(495,495)
Other changes in capital surplus	-	270	-	-	-	-	-	-	270	-	270
Profit after tax of 2024	-	-	-	-	205,569	-	-	-	205,569	3,328	208,897
Other comprehensive income after tax in 2024	-	-	-	-	14,613	23,878	(979,842)	-	(941,351)	746	(940,605)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	220,182	23,878	(979,842)	-	(735,782)	4,074	(731,708)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	17,860	-	-	-	-	-	-	17,860	-	17,860
Increase and decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,708)	(3,708)
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	264,908	-	(264,908)	-	-	-	-
<b>Balance as of December 31, 2024</b>	<b>\$990,990</b>	<b>\$239,999</b>	<b>\$1,570,733</b>	<b>\$573,800</b>	<b>\$5,420,112</b>	<b>(\$63,451)</b>	<b>\$732,300</b>	<b>(\$83,230)</b>	<b>\$9,381,253</b>	<b>\$29,096</b>	<b>\$9,410,349</b>
Balance as of January 1, 2025	990,990	239,999	1,570,733	573,800	5,420,112	(63,451)	732,300	(83,230)	9,381,253	29,096	9,410,349
Appropriation and distribution of earnings:											
Ordinary cash dividends	-	-	-	-	(445,945)	-	-	-	(445,945)	-	(445,945)
Other changes in capital surplus	-	268	-	-	-	-	-	-	268	-	268
Profit after tax of 2025	-	-	-	-	147,732	-	-	-	147,732	3,198	150,930
Other comprehensive income after tax in 2025	-	-	-	-	5,366	(12,127)	1,033,818	-	1,027,057	(33)	1,027,024
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	153,098	(12,127)	1,033,818	-	1,174,789	3,165	1,177,954
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	16,074	-	-	-	-	-	-	16,074	-	16,074
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	461,483	-	(461,483)	-	-	-	-
<b>Balance as of December 31, 2025</b>	<b>\$990,990</b>	<b>\$256,341</b>	<b>\$1,570,733</b>	<b>\$573,800</b>	<b>\$5,588,748</b>	<b>(\$75,578)</b>	<b>\$1,304,635</b>	<b>(\$83,230)</b>	<b>\$10,126,439</b>	<b>\$32,261</b>	<b>\$10,158,700</b>

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Chen, Yi-Chien

Chief Accountant: Chen, Ming-Je

**Tahsin Industrial Corporation and its subsidiaries**

**Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024**

Unit: Thousand NTD

Items	December 31, 2025	December 31, 2024
Cash flows from (used in) operating activities		
Net profit before tax	\$162,256	\$262,020
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	96,535	100,276
Expected credit losses (benefits)	(627)	3,961
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,150	(1,011)
Interest expenses	2,315	2,374
Interest revenue	(74,553)	(85,424)
Dividend revenue	(112,400)	(109,963)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(20,235)	(22,524)
Loss (gain) on disposal and disposition of property, plant and equipment	649	2,266
Property, plant and equipment reclassified to expense	1,516	-
Loss (gain) on disposal of investments	5,941	-
Loss (gain) on disposal of investments accounted for using equity method	-	(416)
Unrealized exchange loss (gain)	6,187	(11,799)
Other adjustments to reconcile profit (loss)	(977)	270
Total adjustments to reconcile profit (loss)	(94,499)	(121,990)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	9,167	(1,367)
Decrease (increase) in accounts receivable	48,763	(126,406)
Decrease (increase) in accounts receivable - related parties	12,397	(13,212)
Decrease (increase) in other receivables	(1,157)	(173)
Decrease (increase) in other receivables - related parties	336	2
Decrease (increase) in inventories	94,848	3,014
Decrease (increase) in prepayments	(8,078)	(13,162)
Decrease (increase) in other non-current assets	(201)	168
Decrease (increase) in other financial assets	(16,324)	(15,625)
Decrease (increase) in net defined benefit assets	(3,667)	(370)
Total changes in operating assets	136,084	(167,131)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(33,007)	36,892
Increase (decrease) in notes payable	(32,318)	14,228
Increase (decrease) in accounts payable	(22,946)	19,861
Increase (decrease) in other payables	(25,221)	22,235
Increases (decreases) in other payables to related parties	(1,147)	5,785
Increase (decrease) in other current liabilities	269	453
Increase (decrease) in net defined benefit liabilities	-	(3,354)
Total changes in operating liabilities	(114,370)	96,100
Total changes in operating assets and liabilities	21,714	(71,031)
Total adjustments	(72,785)	(193,021)

(Continued on next page)

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**Tahsin Industrial Corporation and its subsidiaries**

**Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024**

Unit: Thousand NTD

Items	December 31, 2025	December 31, 2024
Cash inflow (outflow) generated from operations	89,471	68,999
Interest received	\$72,398	\$83,115
Dividends received	133,060	137,105
Interest paid	(2,326)	(2,426)
Income tax refunded (paid)	(44,095)	(15,248)
Net cash provided by (used in) operating activities	248,508	271,545
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(610,775)	(474,675)
Disposal of financial assets at fair value through other comprehensive income	1,106,520	734,762
Acquisition of financial assets at fair value through profit and loss	-	(15,000)
Disposal of investments accounted for using the equity method	-	999
Acquisition of property, plant and equipment	(222,250)	(210,757)
Disposal of property, plant, and equipment	211	3,252
Decrease in refundable deposits	2,252	1,044
Increase in other financial assets	(296)	(2,079)
Decrease in other financial assets	100,000	125,538
Decrease in other non-current assets	9,199	6,761
Net cash flows from (used in) investing activities	384,861	169,845
Cash flows from financing activities		
Decrease in short-term loans	(4,130)	(5,047)
Increase in guarantee deposits received	3,194	-
Decrease in guarantee deposits received	-	(451)
Repayments of principal portion of the lease	(11,406)	(13,152)
Cash dividends paid	(429,871)	(477,635)
Changes in non-controlling interests	-	(3,708)
Net cash provided by (used in) financing activities	(442,213)	(499,993)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(9,614)	11,598
Net increase (decrease) in cash and cash equivalents	181,542	(47,005)
Cash and cash equivalents at beginning of the period	2,202,455	2,249,460
Cash and cash equivalents at end of period	\$2,383,997	\$2,202,455

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Chen, Yi-Chien

Chief Accountant: Chen, Ming-Je

## Tahsin Industrial Corporation and Subsidiaries

### Notes to Consolidated Financial Statements

#### For the Years Ended December 31, 2025 and 2024

(Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

#### (I.) Company History

Tahsin Industrial Corporation ("The Company") was incorporated under the Company Act of Taiwan, Republic of China (R.O.C.) in 1958. The Company and its subsidiaries are primarily engaged in manufacturing and trading of a variety of plastic raincoats, nylon raincoats, overalls, wardrobes, nylon jackets, PP corrugated boards, TC garments, leather goods, handbags, file folders, plastic film, carrier bags and laminating machines, etc. The Company was approved by the Securities and Futures Bureau under the Financial Supervisory Commission (formerly the Securities and Futures Commission) for listing in 1992. For the main business activities of the Company and its subsidiaries (collectively, "Tahsin Group"), please refer to Note 4 (3)2. In addition, the Company has no ultimate parent company.

#### (II.) Date and Procedures of Authorization for Issuance of the Financial Statements

The consolidated financial statements were published upon approval by the Board of Directors on March 12, 2026.

#### (III.) Application of Newly Issued, Revised, and Amended Standards and Interpretations

a. The impact of adopting the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

The following table summarizes the new, revised, amended standards and interpretations of IFRSs endorsed by the FSC and are applicable in 2025.

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The amendments define exchangeability and provide application guidance on how an entity determines the spot exchange rate at the measurement date when a currency lacks exchangeability. In addition, the amendments require an entity to provide more useful information in its financial statements when a currency is not exchangeable into another currency.

The Group has assessed that the aforementioned standards and interpretations do not have any material impact on the Group's financial position and financial performance.

b. Influence of new standards issued by IASB but not yet included in the IFRSs endorsed by the FSC in the Year 2026:  
The following new standards, interpretations and amendments have been issued by IASB but not yet included in the IFRSs endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7, "Contracts for Renewable Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17, "Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
IFRS Annual Improvements—Volume 11	January 1, 2026

Except for the following, the Group has assessed that the aforementioned standards and interpretations do not have any material impact on the Group's financial position and financial performance:

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

(a) Clarify and provide further guidance on assessing whether financial assets meet the Solely Payments of Principal and Interest (SPPI) criterion. This scope includes contractual terms that change the timing or amount of contractual cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse features, and contractually linked instruments (CLIs).

- (b) Introduce new qualitative disclosures for instruments with contractual terms that could change the timing or amount of contractual cash flows (e.g., instruments with features related to Environmental, Social, and Governance (ESG) targets). This includes a qualitative description of the nature of the contingent events, quantitative information about the range of possible changes in contractual cash flows, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to such terms.
  - (c) Clarify the timing of recognition and derecognition of certain financial assets and liabilities. The amendments allow an entity to derecognize a financial liability (or a part of it) that is settled with cash using an electronic payment system before the settlement date if, and only if, the entity has initiated a payment instruction that:
    - i. The entity does not have the ability to withdraw, stop, or cancel the payment instruction;
    - ii. The entity does not have the practical ability to access the cash used for settlement as a result of the payment instruction; and
    - iii. The settlement risk associated with the electronic payment system is not significant.
  - (d) Update disclosure requirements for equity instruments designated at Fair Value through Other Comprehensive Income (FVTOCI). Entities are required to disclose the fair value for each class of such instruments rather than for each individual investment. Additionally, entities should disclose the amount of gains or losses recognized in OCI during the period, showing separately the amount related to investments derecognized during the period and the amount related to investments held at the end of the reporting period, as well as the cumulative gain or loss transferred within equity upon derecognition.
- (2) Amendments to IFRS 9 and IFRS 7 "Amendments to Contracts for Renewable Electricity"
- These amendments address contracts for the purchase or sale of electricity where the volume of electricity generated is dependent on uncontrollable natural conditions (e.g., weather). The details are as follows:
- (a) Clarification of "own-use" requirements: When a contract requires an entity to purchase and take delivery of electricity when it is generated, and the market design requires the entity to sell any unused electricity within a specified timeframe, the entity must consider reasonable and supportable information regarding its past, current, and expected future electricity transactions over a reasonable period (not exceeding 12 months). If the entity purchases enough electricity to offset any unused electricity sold in the same market, the entity is considered a net purchaser of electricity.
    - i. The entity's exposure to variations in the underlying volume of electricity and the risk that the entity may be required to purchase electricity during delivery intervals when electricity is unavailable;
    - ii. Unrecognized contractual commitments, including expected future cash flows for electricity purchases under these contracts; and
    - iii. The impact of these contracts on the entity's financial performance during the reporting period.
  - (b) Clarification of hedge accounting for renewable electricity contracts:  
 A hedged item can be designated as a variable nominal amount of a forecast electricity transaction that aligns with the variable amount of renewable electricity expected to be delivered by the generating facility referred to in the hedging instrument. Furthermore, when a contract for renewable electricity is designated as a hedging instrument in a cash flow hedge, the occurrence of the forecast transaction is presumed to be highly probable.  
 Entities designating such contracts as hedging instruments should disclose the terms and conditions of the hedging instruments by risk category in accordance with IFRS 7.
- (3) IFRS 17 "Insurance Contracts"
- IFRS 17 "Insurance Contracts" replaces IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. This standard applies to insurance contracts (including reinsurance contracts) issued, reinsurance contracts held, and investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components, and distinct performance obligations should be separated from the insurance contract. Upon initial recognition, an entity shall divide a portfolio of insurance contracts into three groups: onerous, no significant risk of becoming onerous, and the remaining contracts. IFRS 17 requires a current measurement model where estimates are re-measured at each reporting period. Measurement is based on discounted probability-weighted cash flows, a risk adjustment, and a component representing the unearned profit of the contract (the Contractual Service Margin, or CSM). Entities may apply a simplified measurement approach (the Premium Allocation Approach, or PAA) to certain insurance contracts. Income is recognized over the period insurance coverage is provided and as the entity is released from risk. If a group of insurance contracts becomes onerous, the entity recognizes the loss immediately. Entities must present insurance revenue, insurance service expenses, and insurance finance income or expenses separately, and disclose information about the amounts, judgments, and risks arising from insurance contracts.

- (4) Amendments to IFRS 17 "Insurance Contracts"  
The amendments include the deferral of the effective date, expected recovery of insurance acquisition cash flows, CSM attributable to investment services, recovery of losses from reinsurance contracts held, and other minor revisions. These amendments do not change the fundamental principles of the standard.
- (5) Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"  
This amendment allows entities to elect a "classification overlay" for comparative periods presented upon the initial application of IFRS 17. This option permits entities to classify financial assets, including those not linked to activities within the scope of IFRS 17, on an instrument-by-instrument basis during the comparative period based on how they expect those assets to be classified upon the initial application of IFRS 17. Entities that have already applied IFRS 9 or will apply IFRS 9 and IFRS 17 simultaneously may elect to apply the classification overlay.

The Group has assessed that the aforementioned standards and interpretations do not have any material impact on the Group's financial position and financial performance.

- c. The impact of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) but not yet endorsed by the Financial Supervisory Commission (FSC):  
The following table summarizes the new, amended and revised standards in the IFRSs that have already been issued by the IASB but are yet to be endorsed by the FSC and related interpretations:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
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)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IFRS Annual Improvements—Volume 11	January 1, 2026
Amendments to IAS 21 "Translation to a Hyperinflationary Currency"	January 1, 2027

(Note) The Financial Supervisory Commission (FSC) announced in a press release dated September 25, 2025, that public companies are required to apply IFRS 18 starting from the fiscal year 2028. Furthermore, entities may elect to adopt IFRS 18 early once it has been endorsed by the FSC.

Except as described below, the above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the Group's assessment.

- (1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"  
These amendments address the inconsistency between the requirements in IFRS 10 and IAS 28. In transactions involving an investor's sale or contribution of assets to its associate or joint venture, the recognition of the full or partial gain or loss depends on the nature of the assets:
  - (a) A full gain or loss is recognized when the assets sold or contributed constitute a "business."
  - (b) A partial gain or loss is recognized (only to the extent of the unrelated investors' interests in the associate or joint venture) when the assets sold or contributed do not constitute a "business."
- (2) IFRS 18 "Presentation and Disclosure in Financial Statements"  
IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1. It updates the structure of the statement of profit or loss, introduces requirements for the disclosure of Management Performance Measures (MPMs), and enhances the principles for aggregation and disaggregation applied to the primary financial statements and the notes.
- (3) IFRS 19 "Subsidiaries without Public Accountability: Disclosures"  
This standard permits eligible subsidiaries to apply the IFRS Accounting Standards with reduced disclosure requirements.
- (4) Amendments to IAS 21 "Translation to a Hyperinflationary Currency"  
These amendments require that when an entity translates all amounts (including comparatives) from a functional currency that is not the currency of a hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy, the entity shall translate those amounts using the closing rate at the date of the most recent statement of financial position. An exception is provided for entities where both the functional and presentation currencies are currencies of hyperinflationary economies, but the foreign operation has a functional currency of a non-hyperinflationary economy; such entities are exempt from re-translating comparative amounts. The amendments also introduce new disclosure requirements, including the translation method and summarized financial information of the foreign operations to which the translation method is applied.

As of the date of authorization of the Parent Company Only Financial Statements, the Company has continued to other standards and interpretations on its financial conditions and financial performance. Related impacts w the assessment.

#### **(IV.) Summary of Significant Accounting Policies**

The main accounting policies used in preparing the financial statements are described as follows. Unless otherwise stated, these policies are consistently applicable throughout all reporting periods.

- a. Compliance declaration  
This Consolidated Financial Statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the IFRSs endorsed and effected by the FSC.
- b. Preparation basis
  - 1) In addition to the following important items, this consolidated financial statement has been prepared on the historical cost basis:
    - a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
    - b) Financial assets measured at fair value through other comprehensive income are measured at fair value.
    - c) Liability based on cash-settled share-based payment arrangement measured at fair value.
    - d) Defined benefit liability is derived from retirement plan assets less the present value of net defined benefit obligation.
  - 2) The preparation of consolidated financial statements that complies with the IFRSs recognized by the FSC requires the use of some important accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.
- c. Basis of consolidation
  - 1) Principles for the preparation of consolidated financial statements.
    - a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries refer to entities (including structured entities) under the control of Tahsin Group. Control is achieved when Tahsin Group is exposed, or has rights, to variable returns from its involvement with the entity or has the right over such changes in returns, and affects such returns through its ability over the power of the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements starting from the date when Tahsin Group obtains control over them, and such consolidation shall be terminated on the day when Tahsin Group loses control over them.
    - b) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of its subsidiaries have been adjusted where necessary, and are consistent with the policies adopted by Tahsin Group.
    - c) The profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interest. Total comprehensive income is also attributed to the owners of the parent company and non-controlling interest even if this results in the non-controlling interests having a deficit balance.
    - d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, namely transactions with owners in their capacity as owners. The difference between the adjusted amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized in equity.
    - e) When the Group loses control of a subsidiary, the Group re-measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts recognized in other comprehensive income in relation to that subsidiary should be accounted for on the same basis as would be required if Tahsin Group had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, Tahsin Group reclassifies the gain or loss from equity to profit or loss when it loses control on that subsidiary.

2) The subsidiaries listed in the consolidated financial statements are as follows:

Name of investors	Subsidiary Name	Principal Business Activities	Percentage of ownership or capital contributed	
			2025.12.31	2024.12.31
Tahsin Industrial Corporation Ltd	Tahsin Shoji Co., Ltd. (Tahsin Shoji. Japan)	1. Domestic trading of artificial leather, other synthetic resins and various fiber products. 2. Import and export business of handbags, packaging bags, clothing and other supplies and merchandises.	100.00%	100.00%
Tahsin Industrial Corporation Ltd	Tahsin Industrial Corporation CORP. (T. H. USA)	Sale of Tahsin products, ready-to-wear, raincoats, PVC products, etc.	(Liquidation completed in August 2025)	100.00%
Tahsin Industrial Corporation Ltd	Tai Ho Co., Ltd. (Tai Ho Co.,)	Trading	100.00%	100.00%
Tahsin Industrial Corporation Ltd	Fujian Putian DAFU Plastic Industry Co., Ltd. (Dafu Company)	Production of plastic raincoats, folders, file folders, other plastic products, ancillary products, and plastic machinery	91.26%	91.26%
Tahsin Industrial Corporation Ltd	Tah Viet Co., Ltd. (Tah Viet)	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	100.00%	100.00%
Tahsin Industrial Corporation Ltd	Myanmar Tah Hsin Industrial Co., Ltd. (Myanmar Tahsin)	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	100.00%	100.00%
Tahsin Industrial Corporation Ltd	Tah Fa Investment Co., Ltd. (Tah Fa)	Generic investments, Purchase and sale of property and leases	100.00%	100.00%
Tahsin Industrial Corporation Ltd	TAHSIN INNOVATIVE MACHINERY CO.,LTD. VINA	Office machinery manufacturing and processing of binding machines and laminators, etc.	100.00%	100.00%
Tah Fa Investment Co., Ltd.	Tah Chi Enterprise Co., Ltd. (Tah Chi Co.)	Wholesaling and retailing of fabrics, clothing, shoes, caps, umbrellas, and apparel	100.00%	100.00%
Tah Viet Co., Ltd.	TAHHSIN PHU MY JOINT STOCK COMPANY (TAHHSIN PHU MY CO)	Manufacturing and processing of ready-to-wear garments for export and domestic sales	84.83%	84.43%

Increase or decrease in the number of consolidated subsidiaries: TAHSIN INDUSTRIAL CORP. U.S.A. completed its liquidation and was deregistered in August 2025.

- 3) Subsidiaries not included in the consolidated financial statements: None.  
4) Adjustment for subsidiaries with different balance sheet: None.

5) Major restrictions:

Regions / Items	December 31, 2025	December 31, 2024
China:		
Cash and bank deposits	\$32,342	\$27,017
Other financial assets – current (time deposits with original maturity of more than three months)	51,417	31,171
Other financial assets - non-current (time deposits with original maturity of more than one year)	73,771	71,396
Vietnam:		
Cash and bank deposits	23,776	26,420
Time deposits	5,623	11,719
Other financial assets- current (time deposits with original maturity of more than three months)	-	3,480
Myanmar:		
Cash and bank deposits	21,470	51,949
Time deposit	9,627	9,821
Total	<u>\$218,026</u>	<u>\$235,052</u>

The above cash and bank deposits are deposited in China, Vietnam, and Myanmar, and are subject to local foreign exchange control. Such foreign exchange control restricts the remittance of funds out of these countries (except for the remittance of regular dividends).

- 6) The contents of securities issued by the parent company and held by subsidiaries: Refer to Note 6 (20).  
7) Details on subsidiaries that have non-controlling interests that are material to the Group: Assessed that the Group has no subsidiaries with significant non-controlling interests.

d. Foreign currency conversion

Foreign currency transactions and balances

- 1) Items listed in each of Tahsin Group's financial statements are denominated in the currency of the primary economic environment in which the entity operates (i.e., functional currency). The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollar.
- 2) In the preparation of each parent company only financial statements, transactions denominated in a currency other than the entity's functional currency (i.e., foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing that date. Exchange differences on monetary items arising from settlement or translation are recognized as profit or loss in the period in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year, except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.
- 3) For the preparation of consolidated financial statements, the assets and liabilities of foreign operating entities are translated into New Taiwan dollars at the spot exchange rates at the end of the reporting period. Revenue and expense items are converted at the average exchange rates for the current period. any exchange differences arising therefrom are accumulated in other comprehensive income, and accumulated in exchange differences on translation of foreign financial statements under equity (and appropriately allocated to non-controlling interests).

e. The standards for assets and liabilities classified as current and non-current

- 1) Assets that meet one of the following criteria are classified as current assets:
  - a) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
  - b) The holder primarily for trading purposes.
  - c) Assets expected to be realized within 12 months after the balance sheet date.
  - d) Cash or equivalent cash, except for those used to exchange or settle liabilities or subject to other restrictions more than 12 months after the balance sheet date.

Tahsin Group classifies all the assets that do not meet the above-mentioned criteria as non-current.

- 2) Liabilities that meet one of the following criteria are classified as current liabilities:

- a) Liabilities that are expected to be settled within the normal operating cycle.
- b) The holder primarily for trading purposes.
- c) Those who are restricted by the exchange or liquidation of debts within 12 months after the end of each reporting period (after the end of each reporting period and the completion of the long-term refinancing or rescheduling payment agreement before the release of the financial statements, it is also considered as a current liability).
- d) Where the entity does not have an unconditional right as of the balance sheet date to defer settlement of the liability for at least 12 months after the balance sheet date. Terms of a liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments do not affect its classification.

Tahsin Group classifies all the liabilities that do not meet the above-mentioned criteria as non-current.

f. Cash and cash equivalents

The cash and cash equivalents include cash in treasury, bank discount and short-term investments that can be converted into fixed cash at any time with little change in value at risk and high liquidity (including fixed deposit with an original date due within three months).

g. Financial instruments

Financial assets and financial liabilities are recognized when Tahsin Group becomes a party to the contractual provisions of the financial instrument.

Initially, financial assets and liabilities should be recognized at fair value. Upon initial recognition, transaction costs that are directly attributable to the acquisition or issuance of the financial assets and financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss) should be added to, or subtracted from the fair value of such financial assets and financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities measured at FVTPL are immediately recognized in profit or loss.

1) Financial assets

a) Types of measurement

Financial assets purchased or sold in a regular way are recognized using transaction date accounting. Financial assets held by the Group comprise financial assets measured at fair value through profit or loss (FVTPL), financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income (FVTOCI), and investments in equity instruments measured at FVTOCI.

i. Financial assets at fair value through profit or loss

Financial assets measured at FVTPL include financial assets measured at FVTPL and financial assets designated as measured at FVTPL. Financial assets measured at FVTPL include investments in equity instruments not designated by Tahsin Group as measured at FVTOCI and investments in debt instruments not classified as measured at amortized cost or FVTOCI.

The financial assets measured at amortized cost or fair value through other comprehensive income at initial recognition would eliminate or significantly reduce a measurement or recognition inconsistency which would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases, the Company shall make an irrevocable choice to, at initial recognition, designate the financial asset as a financial asset measured at FVTPL.

Such assets are measured at fair value, of which any dividends accrued are recognized as other revenue, interest revenue and the benefits or losses arising from the re-measurement are recognized in other profits and losses. Please refer to Note 12 (3) for the methods of determination of fair value

ii. Financial assets at amortized cost

A financial asset of Tahsin Group is measured at amortized cost if both of the following conditions are met:

- i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost are measured at the gross carrying amount determined based on the effective interest method less any impairment losses, and any gains or losses on foreign exchange are recognized in profit or loss.

Except for the following two situations, interest revenue is calculated by the effective interest rate multiplied by the gross carrying amount of financial assets:

- i) For purchased or initial credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
  - ii) For financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost balance of such financial assets.
- iii. Investments in debt instrument at fair value through other comprehensive income
- Investments in debt instruments of Tahsin Group are classified as financial assets at FVTOCI if both of the following conditions are met:
- i) It is held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets; and
  - ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Investments in debt instruments at FVTOCI are measured at fair value. Among changes in the carrying amount, interest revenue calculated using the effective interest method, gain or loss on foreign exchange, and impairment loss of foreign exchange or gain on reversal of impairment loss of foreign exchange are recognized in profit or loss; other changes are recognized in other comprehensive income and reclassified as profit or loss upon disposal of investments.

- iv. Investments in equity instruments at fair value through other comprehensive income
- The Group at the time of initial recognition may make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income. Investments in equity instruments at FVTOCI are measured at fair value, and subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, the cumulative profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments at FVTOCI are recognized in profit or loss when Tahsin Group's right to receive payments is established, unless such dividends clearly represent the recovery of the investment cost in part.

b) Impairment of financial assets

- i. The Group evaluates credit losses based on expected credit loss at each balance sheet date for financial assets (including accounts receivable), investments in debt instruments at fair value through other comprehensive income, and impairment losses on contract assets.
- ii. Accounts receivable, contract assets and operating lease receivables are all recognized as allowance for losses based on the expected credit losses during the term of duration. For other financial assets, whether there is a significant increase in credit risk after initial recognition shall be determined first. If there is no significant increase in credit risk, the allowance for loss is recognized based on the 12-month expected credit losses. If there is a significant increase in credit risk, the allowance for loss is recognized based on the lifetime expected credit losses.
- iii. The expected credit loss is based on the weighted average credit loss determined by the risk of default. The 12-month expected credit losses refer to expected credit losses arising from possible default of financial instruments within 12 months after the reporting date. The lifetime expected credit losses refer to expected credit losses arising from all possible default of financial instruments in the expected duration.
- iv. The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the loss allowance of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following criteria is met:

- i. The right to a contract from the financial asset cash flow is void.
- ii. When transfer the contractual right to receive the cash flow of financial assets and almost all the risks and rewards of the ownership of the financial assets have been transferred.
- iii. It neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, but does not retain the control over the financial assets.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognizing an investment in a debt instrument in its entirety at FVTOCI, the difference between the carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognizing an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, rather than reclassified as profit or loss.

2) Equity instruments

Tahsin Group classifies its issuance of debts and equity instruments as financial liabilities or equity instruments in accordance with the definition of financial liabilities and equity instruments and the contractual substance.

Equity instruments refer to any contracts containing an enterprise's residual interest after subtracting liabilities from assets. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method.

i. Financial liabilities measured at fair value through profit or loss refer to financial liabilities held for trading or designated as financial liabilities measured at fair value through profit or loss at the time of original recognition. A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term and is a derivative that is not designated and effective as a hedging instrument. When financial liabilities meet one of the following conditions, the Group designates them as measured at fair value through profit or loss in initial recognition:

- i) It is a hybrid (combined) contract containing embedded derivatives, where the main contract does not fall within the scope of IFRS 9 assets; or
- ii) It is able to eliminate or significantly reduce a measurement or recognition inconsistency; or
- iii) It is a tool to manage and evaluate its performance on a fair value basis in accordance with a documented risk management or investment strategy.

ii. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are recognized in profits or losses. For subsequent fair value measurements, changes in fair value are recognized in current profit or loss.

iii. Designated as a financial liability measured at fair value through profit or loss, the amount of changes in fair value due to changes in credit risk is recognized in other comprehensive income, and will not be reclassified to profits or losses in the future. The remaining fair value changes in the liability are reported in profit or loss. However, if the above accounting treatment causes or exacerbates the improper accounting ratio, the profit or loss of the liability will be fully listed in profit or loss.

b) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) The revision of Financial Instruments

When contractual cash flows of a financial instrument are renegotiated or modified without requiring the derecognition of the financial instruments, the group will re-calculate the total book value amount or amortized cost of the financial liabilities using the contractual cash flows discounting at the original effective interest rate, and recognize the modified benefits and losses as profits and loss. Any costs or fees incurred will be reflected as an adjustment to the carrying book value amount of the modified financial instrument and amortized over the remaining period. If the renegotiation or revision leads to the derecognition of the financial instruments, then it should be in accordance with derecognition requirements.

The index rate revolution results in the variation of the contractual cash flows of financial instruments-determined bases and if such variation is directly required by the change in the index rate and the new basis is substantially the same as the basis before the change in the effective interest rate when determining. Aside from the change in rate in contractual cash flows bases, the variable changes in financial instruments also incurred. The group will first adopt the practice of discretion to the changes required by to the changes required by the index rate change, then apply the regulations of financial instrument modification to any additional changes that are not applicable to the practical discretion.

- h. Inventories
- Inventories are measured at the lower of cost and net realizable value. The perpetual inventory system is adopted and the cost is determined using the weighted average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item-by-item approach is used in applying lower of cost and net realizable value. Net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated costs to be incurred till completion and related variable selling expenses.
- i. Investments accounted for using the equity method - associates
- 1) Associates are all entities over which Tahsin Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in related enterprises by Tahsin Group are treated using the equity method and recognized at cost when acquired.
  - 2) Tahsin Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. If Tahsin Group's share of loss in any of its related enterprises equals or exceeds its interest in the related enterprise (including the carrying amount and any long-term benefits from the net investment by the associated enterprises determined by equity method), it does not recognize further losses, unless it has legal obligations and constructive obligations in the related enterprise, or makes payments on behalf of the related enterprise.
  - 3) Unrealized gains on transactions between Tahsin Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of related enterprises have been adjusted as necessary, and are consistent with the policies adopted by Tahsin Group.
  - 4) In the case that an associate issues new shares and Tahsin Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. Where its investment proportion decreases, in addition to the above adjustments, the profit or loss previously recognized in other comprehensive income due to decrease in its ownership interest and the profit or loss to be reclassified to profit or loss during the disposal of assets or liabilities shall be reclassified to profit or loss based on the proportion of decrease.
  - 5) Upon loss of significant influence over an associate, Tahsin Group shall remeasure the remaining investment retained in the former associate at its fair value. Any difference between the fair value and the carrying amount is recognized in current profits or losses.
  - 6) When Tahsin Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If the Company still has a significant influence on the related enterprise, only the amount of previously recognized in other comprehensive income is transferred according to the above-mentioned method.
  - 7) When Tahsin Group disposes its investment in an associate and loses significant influence over this associate. The amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, it shall be transferred to profit and loss according to the proportion of disposal.
- j. Property, plant, and equipment
- 1) Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
  - 2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Tahsin Group and the cost of the item can be measured reliably. The replaced part of the carrying amount shall be derecognized. All other repair and maintenance costs incurred are recognized in current profit or loss during the period in which they are incurred.
  - 3) Depreciation is not mentioned for land. The cost model is adopted for other property, plant and equipment, which is depreciated on a straight-line basis based on the estimated useful life. Tahsin Group reviews each assets' residual values, useful lives and depreciation methods at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate value under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change.

The useful life of each asset is as follows:

Buildings	5 - 55 years
Machinery and equipment	5 - 18 years
Transportation equipment	5 - 12 years
Miscellaneous equipment	5 - 20 years

- 4) Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The amount of gain or loss arising from the derecognition of property, plant and equipment is the difference between the net disposal value and the carrying amount of the asset, and is recognized in current profit or loss.

k. Leases

Tahsin Group assesses whether the contract is (or includes) a lease on the date of its establishment. Where a contract includes a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to the lease component on the basis of the relative separate price of each lease component and the aggregate separate price of non-lease components.

- 1) Where Tahsin Group is a lessee:

Except for the lease of low value assets and short-term lease, which are recognized as expenses on a straight-line basis, Tahsin Group recognizes the right to use assets and lease liabilities for other leases on the lease commencement date.

Right-of-use assets

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability.

Except for right-of-use assets that meet the definition of investment property, right-of-use assets are presented as a line item in the consolidated balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from the beginning of the lease to the expiration of the term of the useful life or the expiration of the lease period, whichever is earlier. However, if the ownership of the underlying assets will be acquired at the end of the lease term, or if the cost of the right-of-use assets reflects the exercise of the purchase option, the depreciation shall be accrued from the beginning of the lease to the expiration of the term of the useful life of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payments; substantive fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantee; the exercise price of a purchase option when it is reasonably certain to exercise the option; the term of the lease reflects the termination penalty that the lessee will exercise the option to terminate the lease, deducting the present value measurement of the lease incentives received. If the implied interest rate on the lease is easy to defined, the lease payment is discounted with the interest rate. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. During lease term, if the evaluation of the option to purchase the underlying asset, the amount expected to be paid under the residual value guarantee, or the index or rate used to determine the lease payment changes in the future lease payment, the Group re-measures the lease liability and adjusts the right to use asset relatively. However, if the carrying amount of the right-to-use asset has been reduced to zero, the remaining re-measured amount is recognized in profit and loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented as a single line item in the consolidated balance sheets.

Changes in the lease agreement that do not depend on index or rate are recognized as expenses in the period in which they are incurred.

- 2) Where Tahsin Group is a lessor

If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; otherwise, it is classified as an operating lease.

When a lease includes both land and building elements, Tahsin Group assesses the classification of each element separately as a finance lease or an operating lease. The lease payments (including one-time front-end payment) 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. 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.

When Tahsin Group subleases the right-of-use asset, the classification of the sublease is determined by the right-of-use asset (instead of the underlying asset). However, if the main lease is a short-term lease where the recognition exemption is applicable to Tahsin Group, the sublease is classified as an operating lease.

Finance lease liabilities are initially measured at the present value of lease payments (including fixed payments; in-substance fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of a purchase option when it is reasonably certain to exercise the option; and penalties for terminating the lease reflected in the lease term; less any lease incentives receivable). Net carrying amount of lease investment is measured as the sum of the present value of lease receivables and unguaranteed residual value plus the original direct cost and expressed as finance lease receivable. On the basis of systematic portfolio, the Group allocates the financing income to the lease period to reflect the fixed rate of return of the group's unexpired net lease investment in each period.

In the case of operating leases, the lease payment after deducting the lease incentives is recognized as the lease income on a straight-line basis over the lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

Changes in leases that do not depend on an index or a rate in lease agreements are recognized as expenses in the period in which they take place.

l. Investment properties

Investment real estate refers to real estate held for rent or capital appreciation or both (including real estate in the process of construction for these purposes) Investment property also includes land whose future use is yet to be decided. Investment property also includes right-of-use assets that meet the definition of investment property.

Self-owned investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Tahsin Group adopts straight-line basis for depreciation.

Investment property under construction is recognized at cost less accumulated impairment loss. Cost includes professional service fees and borrowing costs that are eligible for capitalization. Depreciation of such assets begins when they reach the expected state of use.

In the event of derecognition of an investment property, it is the difference between the net disposal price and the carrying amount of the asset, and is recognized in the current profits and losses.

m. Impairment of financial assets

Tahsin Group estimates the recoverable amount of assets that have signs of impairment on the balance sheet date. When the recoverable amount is lower than its carrying amount, impairment loss is recognized. Recoverable amount refers to the fair value of an asset less costs to sell or its value in use, whichever is higher. When the recognition of asset impairment in the previous year no longer exists, the impairment loss is reversed to the extent of the amount of losses recognized in the previous year.

n. Provisions

Provision is a present legal or constructive obligation arising from a past event, where an inflow of economic benefits is probably required to pay off the obligation. The obligation can also be recognized when its amount can be estimated reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

Carbon fees levied under the Climate Change Response Act of the ROC (Taiwan) and its subsidiary laws are not within the scope of IFRIC 21 "Levies," but are recognized and measured in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets." If it is probable that the estimated annual emissions will exceed the threshold, the related carbon fee liability in interim financial reports should be estimated based on the proportion of actual emissions incurred to the total estimated annual emissions.

- o. Employee Benefits
- 1) Short-term employee benefits  
Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.
  - 2) Pension
    - a) Defined contribution plans  
Under a defined contribution plan, the amount of pension funds that should be contributed on an accrual basis is recognized as current pension expense. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.
    - b) Defined benefit plans
      - i. The determination of the net obligation under the defined benefit plan is based on the discounted amount of future benefits earned by employees during the current or past periods when services are (were) rendered. Such obligation is recognized at the amount of the net of the present value of the net defined obligation less the fair value of the plan asset. The defined benefit obligations are calculated each year by the actuary through the projected unit credit method. The discount rate employed is the market yields on high quality corporate bonds (on the balance sheet date) of which the currency and term are consistent with the currency and term of the defined benefit plan. The discount rate employed can also be the market yields on corporate bonds if there is no deep market for such high-quality corporate bonds in the country.
      - ii. Determine the re-measurement amount caused by the benefit plan and recognize it as other comprehensive profits or losses during the occurrence period, and express it as retained earnings.
      - iii. Expenses related to past service costs are immediately recognized as gains or losses.
  - 3) Compensation to directors and employees  
Employees' compensation and directors' and supervisors' compensation are recognized in expenses and liabilities when they are subject to legal or constructive obligations, and when the amounts can be reasonably estimated. Any difference between the actual amount allocated after the resolution and the estimated amount is treated as changes in accounting estimates.
  - 4) Termination benefits  
Termination benefits are benefits that are provided when an employee is dismissed before the normal retirement date or when an employee decides to accept the Company's offer of benefits in exchange for earlier termination of employment. Tahsin Group recognizes expenses at the earlier of when it can no longer withdraw the termination contracts or when it recognizes relevant restructuring costs. Benefits that are not expected to be fully settled within 12 months after the balance sheet date shall be discounted.
- p. Share capital and treasury shares
- 1) Share capital  
Common stock is listed as equity. An incremental cost directly attributable to the issuance of new shares or warrants stated in equity is presented under equity as a deduction to proceeds.
  - 2) Treasury stock  
Issued shares repurchased by Tahsin Group are recognized in "treasury stock" as a deduction to equity based on the amount of consideration paid during share buyback (including directly attributable costs). When the disposal price for a treasury stock is higher than its carrying amount, the difference between its disposal price and its carrying amount is listed as capital reserve - treasury stock transactions. When its disposal price is lower than its carrying amount, the difference between the above shall offset against capital reserve arising from the trading of the same type of treasury stock. If deficiency arises, it is debited into retained earnings. The carrying amount of a treasury stock is determined using weighted average and calculated separately based on reasons for repurchase.  
During retirement, treasury stock is debited into capital reserve - premium on issued shares and share capital according to the proportion of shares. If its carrying amount is higher than the sum of its face value and premium on issued shares, the difference between both of the above shall be offset against capital reserve arising from the trading of the same type of treasury shares. If deficiency arises, it is then offset against retained earnings. If its carrying amount is lower than the sum of its face value and premium on issued shares, the difference between the aforementioned shall be debited into capital reserve arising from the trading of the same type of treasury share.

- q. Income tax
- 1) The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
  - 2) The current income tax is calculated based on the country where the Group operates and generates taxable income, using the tax rate that has been legislated or substantively legislated on the balance sheet date. Senior management regularly assesses the status of income tax returns in accordance with applicable income tax-related regulations, and shall estimate income tax liabilities based on taxes that are expected to be paid to the tax authority when necessary. An additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. After the distribution plan for the earnings generated in the current year is approved at the shareholders' meeting in the following year, undistributed earnings shall be recognized as income tax expense based on the actual distribution of earnings.
  - 3) Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax liabilities arising from the originally recognized goodwill are not recognized. If the deferred income tax originates from the initial recognition of assets or liabilities in transactions (excluding merger), does not affect accounting profits or taxable incomes (taxable losses) and result in equal amounts of taxable and deductible temporary differences at the time of transactions, it is not recognized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Tahsin Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
  - 4) Deferred income tax assets are recognized to the extent that temporary differences, unused tax losses and unused tax credits are likely to be available for future tax income. The unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
  - 5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis, or realize the asset and settle the liability, simultaneously.
  - 6) Tax incentives from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments are recognized in the form of tax credits.

r. Revenue recognition

Tahsin Group recognizes revenue from contracts with customers by the following steps:

- 1) Identify the customer contracts;
  - 2) Identify the performance obligations in the contract;
  - 3) Determine the transaction price;
  - 4) Allocate the transaction price to the performance obligations in contracts; and
  - 5) Recognize revenue upon satisfaction of performance obligations.
- a) Sales revenue
- Tahsin Group recognizes revenue when control over products is transferred to customers. The transfer of control over products means that products are delivered to customers with no unfulfilled obligations that may affect customers' acceptance of the products. Deliver refers to the time when customers accept products based on the terms of transactions, the risk of obsolescence and loss is transferred to customers, and Tahsin Group has objective evidence that all acceptance conditions are met.
- Tahsin Group recognizes accounts receivable when goods are delivered, as it has the right to receive the payment unconditionally at that time.
- When material is supplied for processing, control over the ownership of processed goods is not transferred. Thus, supply of material is not recognized as revenue.
- b) Service revenue
- Tahsin Group provides service as an OEM and recognizes revenue when service is transferred to customers (that is, control over assets is obtained by customers) without subsequent obligations.

- s. Borrowing costs  
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.  
Investment income earned on the temporary investment of specific borrowings pending their capital expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.  
Other than those stated above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

**(V.) Major Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions**

The Group incorporates the economic impacts resulting from climate change and related government policies and regulations/Russia and Ukraine military conflicts and associated international sanctions/inflation and market interest rate fluctuations into its considerations for significant accounting estimates and will continue to review underlying assumptions and estimates. If the revision of estimates affects only the current period, it is recognized in the period of revision; if the revision of accounting estimates affects both the current period and future periods, it is recognized in both the current period and future periods.

When Tahsin Group prepares the consolidated financial statements, the significant judgments, estimates, and assumptions used in the accounting policies adopted by Tahsin Group are as follows:

- a. Significant judgments for applying the accounting policies
- 1) Judgments on the business model of classification of financial assets  
Tahsin Group assesses the business model of financial assets based on the class of financial assets managed to achieve the specific business purpose. This assessment requires all relevant evidence, including the measurement method for asset performance, risk of impact on performance, and compensation for the management, and also requires judgment. Tahsin Group continues to assess whether the business model is judged appropriately and monitor the financial assets measured at amortized cost and investments in debt instruments at FVTOCI derecognized before maturity to determine whether such disposal is consistent with the purpose of the Group's business model. If a change in the business model is identified, Tahsin Group will reclassify financial assets as required by IFRS 9 and will apply prospectively from the date of reclassification.
  - 2) Investment properties  
The Group holds certain properties for the purposes of earning rentals or capital appreciation, whereas the some are for own use. When each part of a property cannot be sold separately and cannot be leased out separately through finance leases, the property is classified as investment property only if the part held for own use is not significant relative to the individual property.
  - 3) Revenue recognition  
According to IFRS 15, the Group judges whether control over specific goods or service is obtained prior to the transfer of such products or service to customers and whether it is the principal or agent in the transaction. If the Group is the agent in the transaction, the net amount of the transaction is recognized as revenue.  
The Group is the principal if any of the following conditions applies:
    - a) Tahsin Group acquires control of the good or asset in advance from another party before they are transferred to customers; or
    - b) By controlling the right of provision of service by another party, the Group has discretion to have another party to provide service to customers on behalf of the Group; or
    - c) The goods or services provided to customers are a combination of other goods or services and the goods and services of which the control is obtained by Tahsin Group from another party.Indicators used to help judge whether Tahsin Group controls specific products or service before the transfer of such products or service to customers include (but are not limited to):
    - a) The Group has primary responsibility for fulfilling the commitment to provide specific goods or services.
    - b) Inventory risk borne by Tahsin Group before and after the specific merchandise or service is transferred to the customer.
    - c) Tahsin Group has discretion to establish pricing.
  - 4) Lease term  
In determining the lease term, Tahsin Group considers all relevant facts and circumstances that give rise to an economic incentive to exercise (or not to exercise) the option, including all expected changes in facts and circumstances from the commencement date to the exercise date of the option. Factors to be considered include the contractual terms and conditions for the period covered by the option, significant leasehold improvements made (or anticipated) during the contract period, the significance of the underlying assets to Tahsin Group's operations, etc. The lease term is reassessed whenever there are significant events or changes in circumstances within the control of Tahsin Group.

- b. Significant accounting related estimates and assumptions
- 1) Estimated impairment of financial assets  
The estimated impairment of accounts receivable, debt instrument investments and financial guarantee contract is based on Tahsin Group's assumed default rate and expected loss rate. Tahsin Group considers the historical experience, current market conditions, and forward-looking information to make assumptions and select the inputs for impairment assessment. Where the future cash flows are less than expected, a material impairment loss may arise.
  - 2) Fair value measurement and valuation process  
When assets and liabilities measured at fair value have no quoted prices in an active market, Tahsin Group determines based on relevant laws and regulations or its judgment whether assets and liabilities are valued externally and determines the appropriate fair value valuation techniques. If it is impossible to obtain the Level 1 input value: the Group determines the input value by referring to the analysis of the financial situation and operation results of the investee, the most recent transaction price, the quotation of the same equity instrument in the non-active market, the quotation of similar instrument in the active market and the evaluation multiplier of comparable companies. If the actual change of the input value is different from the expected one, the fair value may change. The Group regularly updates various inputs based on market conditions to monitor whether fair value measurements are appropriate. For descriptions of fair value evaluation techniques and input values, please refer to Note 12 (3) for details.
  - 3) Impairment assessment of tangible assets and intangible assets  
Tahsin Group assesses the impairment of assets based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and their industrial characteristics. Any changes in these estimates arising from changes in economic conditions or business strategies could lead to significant impairment losses in the future.
  - 4) Investment loss assessment using the equity method  
When there is an indication that an investment accounted for using the equity method may be impaired, Tahsin Group will immediately assess the impairment of the investment. Tahsin Group assesses the recoverable amount based on the discounted value of the expected future cash flows from the investee or the discounted value of future cash flows arising from expected cash dividends and disposal of the investment, and assesses the reasonableness of underlying assumptions.
  - 5) Realizability of deferred income tax assets  
Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized in the future. When the realizability of deferred tax assets is assessed, it is necessary to involve significant accounting judgments and estimates of the senior management, including assumptions on future growth in sales revenue and profit margins, tax exemption periods, available tax credits, and tax planning. Any changes in the global economic environment and industrial environment, as well as changes in laws and regulations may result in major adjustments to deferred tax assets.
  - 6) Evaluation of inventories  
Because inventories must be valued at the lower of cost and net realizable value, Tahsin Group must use judgments and estimates to determine the net realizable value of inventories on the balance sheet date. Tahsin Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value.
  - 7) The calculation of a net defined benefit (liability)  
When calculating the present value of the defined benefit obligations, Tahsin Group must use judgments and estimates to determine the relevant actuarial assumptions on the balance sheet date, including the discount rate and the future growth rate of salaries. Any changes in actuarial assumptions may lead to significant effects on the amount of Tahsin Group's defined benefit obligations.
  - 8) Lessee's incremental borrowing rate of interest  
When determining the lessee's incremental borrowing rate of interest used for lease payment discounting, the reference interest rate is the risk-free interest rate of the same currency and the relevant period, and the estimated lessee credit risk discount and lease specific adjustment (such as asset specific and secured factors) are taken into account.

**(VI.) Explanation of Important Accounting items**

## a. Cash and cash equivalents

Items	December 31, 2025	December 31, 2024
Cash and bank deposits	\$286,052	\$343,163
Time deposits	1,170,659	803,254
Cash equivalents (short-term commercial papers due within three months)	927,286	1,056,038
Total	\$2,383,997	\$2,202,455

- 1) Tahsin Group deals with financial institutions having high credit quality. The Group also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is rather low.
- 2) Tahsin Group's pledge and fixed deposits with original maturity of more than three months and more than one year are transferred to other financial assets - current and other financial assets - non-current, as follows:

Items	December 31, 2025	December 31, 2024
Pledged time deposits	\$4,681	\$4,895
Time deposit (the original maturities of more than three months)	208,386	291,848
Other financial assets - total current	\$213,067	\$296,743
Time deposit (Original maturities of more than one year)	\$73,771	\$73,475
Other financial assets-total non-current	\$73,771	\$73,475

## b. Financial assets and liabilities at fair value through profit and loss

Items	December 31, 2025	December 31, 2024
Financial assets-current		
Forced measure at fair value through comprehensive income		
Non-derivative financial assets		
Beneficiary certificate of fund	\$18,141	\$17,860
Derivative financial assets (non-designated risk avoiding)		
Forward exchange contracts	-	1,385
Total	\$18,141	\$19,245
Financial liabilities-current		
Held for trading		
Derivative instruments (not designated as hedging instruments)		
Forward foreign exchange contracts	\$54	\$-

- 1) Tahsin Group's forward exchange contracts that have not applied hedging accounting at the balance sheet date and yet to have expired are as follows:

December 31, 2025	Currency	Maturity	Contractual Amount (in Thousand)
Pre-purchase forward exchange	US Dollar/Japanese Yen	January 2026-April 2026	USD800/JPY124,776
December 31, 2024	Currency	Maturity	Contractual Amount (in Thousand)
Pre-purchase forward exchange	US Dollar/Japanese Yen	January 2025-March 2025	USD1,000/JPY148,642

The main purpose of Tahsin Group's engagement in derivatives trading is to avoid risks associated with foreign currency assets and liabilities due to exchange rate fluctuations.

- 2) Tahsin Group has not pledged financial assets at fair value through profit or loss  
3) Please refer to Note 12 (2) for credit risk management and evaluation method.

c. Financial assets at fair value through other comprehensive income - current

Items	December 31, 2025	December 31, 2024
Equity instruments		
Stocks listed in TWSE or TPEX	\$2,467,603	\$2,540,169
Fund beneficiary certificates	10,061	10,061
Subtotal	\$2,477,664	\$2,550,230
Valuation adjustments	768,457	177,045
Total	\$3,246,121	\$2,727,275

- 1) Tahsin Group has chosen to classify the equity investments of domestic listed companies with stable dividends as financial assets measured at FVTOCI, which were valued at NTD 3,246,121 thousand and NTD 2,727,275 thousand respectively for December 31, 2025 and 2024.  
2) In 2025 and 2024, Tahsin Group adjusted its investment position to diversify its risk. As for the sale of some common stocks of the listed companies at fair value of NTD 1,106,519 thousand and NTD 734,763 thousand, respectively, and the related other equity - unrealized gain (loss) on financial assets at fair value through other comprehensive income amounted to NTD 457,064 thousand and NTD 262,124 thousand, respectively, were transferred to retained earnings.  
3) The Group does not have pledge financial assets (current) at fair value through other comprehensive income.  
4) Please refer to Note 12(2) for details of relevant price risk information.

d. (Net) Notes receivable and notes receivable - (Net) related parties

Items	December 31, 2025	December 31, 2024
Notes receivable		
Occurs due to business operation	\$50,943	\$60,110
Less: provision for losses	(1,165)	(1,131)
(Net) Notes receivable	\$49,778	\$58,979

- 1) As of December 31, 2025 and 2024, no notes receivable were pledged as collateral by the Group.  
2) Disclosure of allowance for losses on notes receivable, please refer to the description of accounts receivable below.

e. (Net) Accounts receivable and accounts receivable - (Net) related parties

Items	December 31, 2025	December 31, 2024
<u>Account receivables</u>		
Measured at amortized cost		
Total Carrying Amount	\$342,006	\$390,769
Less: provision for losses	(10,761)	(11,060)
(Net) Accounts receivable	<u>\$331,245</u>	<u>\$379,709</u>
<u>Trade receivables - related party</u>		
Measured at amortized cost		
Total Carrying Amount	\$10,414	\$22,811
Less: provision for losses	(312)	(685)
(Net) Accounts receivable - related parties	<u>\$10,102</u>	<u>\$22,126</u>

- 1) Tahsin Group's accounts receivable from the sale of goods met the credit standards based on the industry characteristics, business scale, and profitability of its counterparties, where the average credit period was between 60 and 120 days.
- 2) As of December 31, 2025 and 2024, no accounts receivable were pledged as collateral by the Group.
- 3) Tahsin Group adopts the simplified approach as stipulated in IFRS 9 and recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The lifetime expected credit losses took into account the past history of default and the current financial and operating conditions of customers. Due to the historical experience of credit losses of Tahsin Group, there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of accounts receivable.

Tahsin Group measures the loss of allowance of notes receivable and receivables (including related persons) according to the preparation matrix as follows:

December 31, 2025	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	\$370,650	\$9,874	\$360,776
0 to 30 days overdue	25,081	1,254	23,827
31 to 180 days overdue	6,765	677	6,088
181 to 365 days overdue	867	433	434
More than one year overdue	-	-	-
Total	<u>\$403,363</u>	<u>\$12,238</u>	<u>\$391,125</u>

December 31, 2024	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	\$440,502	\$11,173	\$429,329
0 to 30 days overdue	32,337	1,617	30,720
31 to 180 days overdue	848	85	763
181 to 365 days overdue	3	1	2
More than one year overdue	-	-	-
Total	<u>\$473,690</u>	<u>\$12,876</u>	<u>\$460,814</u>

Tahsin Group's expected credit loss rate for each of the above aging ranges (excluding abnormal accounts, 100% of which shall be presented), not overdue as 0%-3%, 2% -10% for within 30 days overdue, 10%-15% for within 180 days overdue, and for 100% overdue for more than one year.

- 4) The changes in the allowance loss of notes receivables and accounts receivable (including notes receivables, accounts receivables and other long-term accounts receivables) are as follows:

Items	December 31, 2025	December 31, 2024
Beginning balance	\$12,876	\$8,930
Add: Provision of impairment loss	-	3,961
Less: Reversal of impairment loss	(627)	-
Less: Write-off of unrecoverable accounts	-	-
Effect of foreign currency exchange differences	(11)	(15)
Ending balance	\$12,238	\$12,876

The amounts shown above did not include other credit enhancements.

- 5) Please refer to Note 12(2) for details of relevant credit risk management and assessment methods  
f. Inventories and operating cost

Items	December 31, 2025	December 31, 2024
Raw materials	\$47,796	\$79,677
Materials	46,038	51,095
Work in process	178,429	228,179
Finished goods	261,376	269,536
Total	\$533,639	\$628,487

- 1) The inventory gains (losses) recognized as operating costs in the current period are as follows:

Items	December 31, 2025	December 31, 2024
Cost of goods sold	\$1,953,549	\$1,857,020
Unallocated manufacturing costs	2,571	6,748
Write-downs of inventories and obsolescence loss (gain from price recovery)	(2,500)	(2,906)
Loss on discarding of inventory	-	-
Loss (gain) on physical inventory	9	6
Income from sale of scraps	(2,527)	(2,856)
Total operating costs	\$1,951,102	\$1,858,012

- 2) In 2025 and 2024, Tahsin Group recognized a loss of write-downs of inventories (gain on recovery) of NTD (2,500) thousand and NTD (2,906) thousand, respectively, owing to the Group writing down its inventories or depletion of part of the inventories led to a rise in net realizable value of its inventories.  
3) Tahsin Group did not pledge any inventories as of December 31, 2025 and 2024.  
g. Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2025	December 31, 2024
Investments in equity instruments		
Domestically unlisted stocks	\$149,336	\$145,886
Valuation adjustments	303,778	302,272
Total	453,114	448,158
Investments in liability instruments		
Corporate Bonds	\$192,083	\$167,882
Valuation adjustments	(4,468)	(9,311)
Subtotal	187,615	158,571
Total	\$640,729	\$606,729

- 1) According to the long-term strategic objectives, Tahsin Group invested in the unquoted shares and corporate bonds of the domestic market mentioned above. The company invests in the stocks of the aforementioned domestic OTC companies for medium and long-term strategic purposes and expects to make profits through long-term investment. The management chose to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with Tahsin Group's strategy of holding these investments for long-term purposes.
- 2) As of December 31, 2025 and 2024, Tahsin Group did not pledge any financial assets measured at fair value through other comprehensive income.
- 3) Please refer to Note 12(2) for details of relevant credit risk management and assessment methods.

h. Investments Accounted for Using the Equity Method

Investee	December 31, 2025	December 31, 2024
Affiliates:		
Individually insignificant affiliates	\$428,138	\$447,591

- 1) The share of the group's individual significant affiliates is summarized as follows:

	December 31, 2025	December 31, 2024
The Group's share of:		
Profit	\$20,235	\$22,524
Other comprehensive income (net income)	(21,008)	(24,638)
Total comprehensive income in 2021	(\$773)	(\$2,114)

- 2) For the years 2025 and 2024, the Group's share of the realized gains or losses transferred to retained earnings resulting from the derecognition of equity instruments at fair value through other comprehensive income (FVTOCI) by associates accounted for using the equity method was NTD4,419 thousand and NTD2,784 thousand, respectively.
- 3) The investment of Tahsin Group under equity method in December 31, 2025 and 2024 is not provided for pledge

i. Property, plant, and equipment

Items	December 31, 2025	December 31, 2024
Owner-occupied	\$2,152,971	\$2,109,348
Operating lease	34,472	4,120
Total	\$2,187,443	\$2,113,468

1) Owner-occupied

Items	December 31, 2025	December 31, 2024
Land	\$1,197,145	\$1,283,006
Buildings	1,075,770	1,192,917
Machinery and equipment	381,175	406,375
Transportation equipment	42,436	49,849
Other equipment	203,505	166,623
Construction in progress and equipment to be inspected	378,408	202,459
Total cost	\$3,278,439	\$3,301,229
less: accumulated depreciation	(1,088,221)	(1,152,928)
Accumulated impairment	(37,247)	(38,953)
Total	\$2,152,971	\$2,109,348

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
<b>Cost</b>							
Balance at January 1, 2025	\$1,283,006	\$1,192,917	\$406,375	\$49,849	\$166,623	\$202,459	\$3,301,229
Purchase	-	747	4,483	583	25,040	193,361	224,214
Disposal	-	(70,299)	(23,463)	(930)	(7,766)	-	(102,458)
Reclassification	(80,414)	(29,457)	545	(6,425)	20,985	(16,621)	(111,387)
Effect of foreign currency exchange differences	(5,447)	(18,138)	(6,765)	(641)	(1,377)	(791)	(33,159)
Balance at December 31, 2025	\$1,197,145	\$1,075,770	\$381,175	\$42,436	\$203,505	\$378,408	\$3,278,439
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2025	\$38,953	\$752,254	\$286,028	\$35,148	\$79,498	-	\$1,191,881
Depreciation expenses	-	27,866	27,346	3,811	21,316	-	80,339
Disposal	-	(70,284)	(22,858)	(908)	(7,550)	-	(101,600)
Reclassification	-	(25,244)	-	(3,084)	3,084	-	(25,244)
Effect of foreign currency exchange differences	(1,706)	(11,311)	(4,912)	(423)	(1,556)	-	(19,908)
Balance at December 31, 2025	\$37,247	\$673,281	\$285,604	\$34,544	\$94,792	-	\$1,125,468
<b>Cost</b>							
Balance at January 1, 2024	\$1,288,572	\$1,173,435	\$529,841	\$46,933	\$192,019	\$3,852	\$3,234,652
Purchase	-	6,337	5,976	3,239	3,752	201,817	221,121
Disposal	-	(9,221)	(139,904)	(1,014)	(33,344)	-	(183,483)
Reclassification	-	3,280	279	-	84	(3,643)	-
Effect of foreign currency exchange differences	(5,566)	19,086	10,183	691	4,112	433	28,939
Balance at December 31, 2024	\$1,283,006	\$1,192,917	\$406,375	\$49,849	\$166,623	\$202,459	\$3,301,229
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2024	\$40,695	\$721,219	\$381,520	\$30,794	\$92,570	-	\$1,266,798
Depreciation expenses	-	29,920	31,703	4,927	17,193	-	83,743
Disposal	-	(9,220)	(134,442)	(972)	(33,333)	-	(177,967)
Effect of foreign currency exchange differences	(1,742)	10,335	7,247	399	3,068	-	19,307
Balance at December 31, 2024	\$38,953	\$752,254	\$286,028	\$35,148	\$79,498	-	\$1,191,881

a) Capitalization amount and interest rate range of borrowing costs for properties, plants and equipment:

	December 31, 2025	December 31, 2024
Amount capitalized	-	-
Interest rate collars	-	-

b) For information on guarantees provided by owner-occupied property, plant and equipment, please refer to Note 8.

2) Operating lease

Items	December 31, 2025	December 31, 2024
Land	\$28,054	-
Buildings	62,687	\$33,095
Machinery and equipment	1,649	1,701
Other equipment	46	46
Total cost	\$92,436	\$34,842
less: accumulated depreciation	(57,964)	(30,722)
Accumulated impairment	-	-
Total	\$34,472	\$4,120

	Land	Buildings	Machinery and equipment	Other equipment	Total
<u>Cost</u>					
Balance at January 1, 2025	-	\$33,095	\$1,701	\$46	\$34,842
Purchase	-	-	184	-	184
Disposal	-	-	(236)	-	(236)
Reclassification	\$28,054	29,458	-	-	57,512
Effect of foreign currency exchange differences	-	134	-	-	134
Balance at December 31, 2025	\$28,054	\$62,687	\$1,649	\$46	\$92,436
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2025	-	\$29,786	\$910	\$26	\$30,722
Depreciation expenses	-	1,782	320	9	2,111
Disposal	-	-	(234)	-	(234)
Reclassification	-	25,244	-	-	25,244
Effect of foreign currency exchange differences	-	121	-	-	121
Balance at December 31, 2025	-	\$56,933	\$996	\$35	\$57,964

	Buildings	Machinery and equipment	Other equipment	Total
<u>Cost</u>				
Balance at January 1, 2024	\$32,159	\$1,856	\$46	\$34,061
Purchase	-	215	-	215
Disposal	-	(370)	-	(370)
Effect of foreign currency exchange differences	936	-	-	476
Balance at December 31, 2024	\$33,095	\$1,701	\$46	\$34,842
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$28,943	\$979	\$17	\$29,939
Depreciation expenses	-	299	9	308
Disposal	-	(368)	-	(368)
Effect of foreign currency exchange differences	843	-	-	428
Balance at December 31, 2024	\$29,786	\$910	\$26	\$30,722

- a) Tahsin Group leases part of lands, plants and offices, and other assets under operating lease with lease terms of 1-10 years. The lessee does not have a bargain purchase option to acquire the asset at the expiration of the lease periods.
- b) The total amount of lease payments that will be collected in the future for operating leases of owner-occupied property, plant and equipment is as follows:

	December 31, 2025	December 31, 2024
Year 1	\$17,237	\$7,427
Year 2	10,277	8,064
Year 3	9,362	7,521
Year 4	9,363	7,521
Year 5	8,256	7,521
More than 5 years	6,836	12,476
Total	<u>\$61,331</u>	<u>\$50,530</u>

- c) Tahsin Group did not pledge real estate, plant and equipment leased under operating leases for others on December 31, 2025 and 2024.
- 3) As of December 31, 2025 and 2024, property, plant and equipment showed no signs of impairment with assessment.
- 4) The adjustments to the acquisition of properties, plants and equipment listed in the statements of cash flows are as follows:

Items	December 31, 2025	December 31, 2024
Increased amount of property, plant and equipment	\$224,398	\$221,336
Increase or decrease in equipment payment	<u>(2,148)</u>	<u>(10,579)</u>
Cash paid for acquisition of property, plant, and equipment	<u>\$222,250</u>	<u>\$210,757</u>

- j. Tenancy agreement
- 1) Right-of-use assets

Items	December 31, 2025	December 31, 2024
Land	\$79,686	\$81,347
Buildings	<u>35,892</u>	<u>79,131</u>
Total cost	\$115,578	\$160,478
less: accumulated depreciation	(34,373)	(37,059)
Accumulated impairment	-	-
Net amount	<u>\$81,205</u>	<u>\$123,419</u>

Cost	Land	Buildings	Total
Balance at January 1, 2025	\$81,347	\$79,131	\$160,478
Increase in this period	-	4,778	4,778
Decrease in this period	-	(45,774)	(45,774)
Effect of foreign currency exchange differences	(1,661)	(2,243)	(3,904)
Balance at December 31, 2025	<u>\$79,686</u>	<u>\$35,892</u>	<u>\$115,578</u>
<b>Accumulated depreciation and impairment</b>			
Balance at January 1, 2025	\$15,426	\$21,633	\$37,059
Depreciation expenses	2,466	11,616	14,082
Decrease in this period	-	(16,034)	(16,034)
Effect of foreign currency exchange differences	(328)	(406)	(734)
Balance at December 31, 2025	<u>\$17,564</u>	<u>\$16,809</u>	<u>\$34,373</u>

Cost	Land	Buildings	Transportation Equipment	Total
Balance at January 1, 2024	\$77,568	\$76,816	\$4,004	\$158,388
Decrease in this period	-	-	(4,004)	(4,004)
Effect of foreign currency exchange differences	3,779	2,315	-	6,094
Balance at December 31, 2024	<u>\$81,347</u>	<u>\$79,131</u>	<u>-</u>	<u>\$160,478</u>
<b>Accumulated depreciation and impairment</b>				
Balance at January 1, 2024	\$12,222	\$8,811	\$3,114	\$24,147
Depreciation expenses	2,539	12,792	890	16,221
Disposal	-	-	(4,004)	(4,004)
Effect of foreign currency exchange differences	665	30	-	695
Balance at December 31, 2024	<u>\$15,426</u>	<u>\$21,633</u>	<u>-</u>	<u>\$37,059</u>

2) Lease liabilities

Items	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	<u>\$8,732</u>	<u>\$11,931</u>
Non-current	<u>\$15,695</u>	<u>\$52,216</u>

The discount rate ranges for lease liabilities are as follows:

Items	December 31, 2025	December 31, 2024
Land	1%	1%
Buildings	1%%	1%~6.42%
Transportation equipment	-	1%

Information on lease liability maturity analysis is as follows:

	December 31, 2025	December 31, 2024
Less than one year	\$9,040	\$12,948
1-5 year(s)	12,101	34,697
5-10 years	1,258	17,202
10-15 years	1,258	1,312
15-20 years	1,258	1,313
20 years or more	462	744
Total undiscounted lease payments	<u>\$25,377</u>	<u>\$68,216</u>

3) Important lease activities and terms

Tahsin Group leases a number of land and buildings as plant and sites of business operations for a lease period of 2-50 years, with some contracts attached with the right to renew the lease at the end of the lease period. In accordance with the contracts, the Group may not sublet the leased asset to others without the consent of the lessor.

As of December 31, 2025 and 2024, the right-of-use assets showed no signs of impairment with assessment.

4) Sublease:

Tahsin Group subleases the right to use the land in Putian of Fujian Province to other companies in the form of an operating lease, and the above-mentioned right-of-use assets do not meet the definition of investment properties. The income from the sublease of the right-of-use assets in 2025 and 2024 were NTD 1,598 thousand and NTD 1,640 thousand, respectively.

The total amount of lease payments that Tahsin Group will receive in the future for sublease of right-of-use assets under operating leases is as follows:

	December 31, 2025	December 31, 2024
Year 1	\$1,581	\$1,646
Year 2	1,573	1,575
Year 3	1,574	1,567
Year 4	1,574	1,567
Year 5	1,574	1,567
More than 5 years	655	2,220
Total	<u>\$8,531</u>	<u>\$10,142</u>

5) Other lease information

a) Please refer to Note 6 (9) "Property, plant and equipment" and Note 6 (11) "Investment properties" for the agreement on the lease of Tahsin Group's own property, plant and equipment and investment property under operating leases.

b) In 2025 and 2024, Tahsin Group decided to apply recognition exemption to short-term lease and low value asset lease, and not recognize related right-of-use assets and lease liabilities for the said leases.

c) The information on lease-related expenses of Tahsin Group in 2025 and 2024 is as follows:

Items	December 31, 2025	December 31, 2024
Expenses relating to short-term leases	\$784	\$837
Expenses relating to low-value asset lease	\$145	\$139
Variable lease payments not included in lease liability measurement	-	-
Total cash flows on lease	\$13,220	\$15,370

k. Investment properties

Items	December 31, 2025	December 31, 2024
Land	\$397,804	\$345,444
Buildings	32,498	32,498
Total cost	\$430,302	\$377,942
less: accumulated depreciation	(32,494)	(32,491)
Accumulated impairment	-	-
Total	\$397,808	\$345,451

1) The changes in the costs, accumulated depreciation and impairments of investment property are as follows:

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2025	\$345,444	\$32,498	\$377,942
Purchase	-	-	-
Disposal	-	-	-
Arising from property, plant and equipment	52,360	-	52,360
Balance at December 31, 2025	\$397,804	\$32,498	\$430,302
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2025	-	\$32,491	\$32,491
Depreciation expenses	-	3	3
Disposal	-	-	-
Balance at December 31, 2025	-	\$32,494	\$32,494
	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024	\$345,444	\$32,498	\$377,942
Purchase	-	-	-
Disposal	-	-	-
Balance at December 31, 2024	\$345,444	\$32,498	\$377,942
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	-	\$32,487	\$32,487
Depreciation expenses	-	4	4
Disposal	-	-	-
Balance at December 31, 2024	-	\$32,491	\$32,491

2) Rental revenue and direct operating expenses of investment property:

Items	December 31, 2025	December 31, 2024
Rental income from investment property	\$26,885	\$18,264
Direct operating expenses incurred from investment properties that generate current rental income (Note) that generates rental income in the current period	\$617	\$544
Direct operating expense from investment property that do not generate rental income in the current period	\$884	\$953

3) The lease term of investment property is 1-3 years. The lessee does not have a bargain purchase option to acquire the asset at the expiration of the lease periods.

4) The total amount of lease payments that to be collected in the future for investment property by operating leases is as follows:

	December 31, 2025	December 31, 2024
Year 1	\$21,720	\$17,990
Year 2	17,056	13,500
Year 3	-	9,150
Year 4	-	-
Year 5	-	-
More than 5 years	-	-
Total	\$38,776	\$40,640

5) The fair value of the investment property held by the Group as of December 31, 2025 was NTD2,418,715 thousand. This fair value was based on the valuation results provided by independent professional valuers, which were conducted between October and November 2025. The valuation methods employed included the comparison method, the income approach, and the land development analysis method to estimate the land unit price, and the final appraised price was determined on a weighted basis.

6) The fair value of the investment property held by Tahsin Group as at December 31, 2025 and 2024 were NTD1,523,171 as estimated from the transaction prices of land or buildings located in the adjacent areas inquired by the "Registering the Actual Selling Price of Real Estate" of Department of Land Administration, Ministry of the Interior.

7) For information on guarantees provided by investment property, please refer to Note 8.

1. Pension

1) Defined contribution plans

a) Tahsin Group and its subsidiaries adopt a pension plan under the "Labor Pension Act," which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions 6% of their monthly salaries to employees' individual pension accounts in the Bureau of Labor Insurance. The overseas subsidiaries have participated in the defined allocation scheme handled by the local government, and the pension is allocated to the local government on a monthly basis.

b) Contributions based on the percentage stipulated in the defined contribution pension plans of the Group and recognized as expenses in the consolidated statements of comprehensive income were NTD 11,938 thousand and NTD 10,266 thousand for the years ended December 31, 2025 and 2024, respectively.

2) Defined benefit plans

- a) The pension system adopted by Tahsin Group under the "Labor Standards Act" is a state-managed defined pension plan. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date. These companies allocate 9% of their total monthly salary to employee retirement funds to a retirement fund that is deposited in Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made once before the end of March of the following year. However, as the Company considers using its working capital for its operations, the Company plans to make up the difference totaling NTD300 million in two installments every year over five years (between 2016 and 2020). The Company has submitted the full-installment contribution plan to the Labor Affairs Bureau which has acknowledged receipt of the plan in May 2016. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company has no right over its investment and administration strategies.
- b) The amounts recognized in the Tahsin Group's balance sheet for obligations from defined benefit plans are as follows:

Items	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	(\$282,037)	(\$276,228)
Fair value of plan assets	306,053	291,211
Net Defined Benefit (Liabilities) Assets	\$24,016	\$14,983

- c) Changes in net defined benefit (liabilities) are as follows:

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2025	(\$276,228)	\$291,211	\$14,983
Service costs			
Current Service costs	(1,121)	-	(1,121)
Interest expenses (income)	(4,143)	4,396	253
Recognized in profit or loss	(5,264)	4,396	(868)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	-	20,616	20,616
Actuarial (profits) losses -			
Changes in financial assumptions	(5,347)	-	(5,347)
Experience adjustments	(9,903)	-	(9,903)
Recognized in other comprehensive income	(15,250)	20,616	5,366
Employer provision	-	3,485	3,485
Welfare payment amount	14,705	(13,655)	1,050
Balance as of December 31, 2025	(\$282,037)	\$306,053	\$24,016

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2024	(\$275,578)	\$272,224	(\$3,354)
Service costs			
Current Service costs	(1,369)	-	(1,369)
Previous service cost	(75)	-	(75)
Interest expenses (income)	(3,226)	3,240	14
Recognized in profit or loss	(4,670)	3,240	(1,430)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	--	24,557	24,557
Actuarial (profits) losses -			
Changes in financial assumptions	(5,310)	-	(5,310)
Experience adjustments	(4,634)	-	(4,634)
Recognized in other comprehensive income	(9,944)	24,557	14,613
Employer provision	-	3,782	3,782
Welfare payment amount	13,964	(12,592)	1,372
Balance as of December 31, 2024	(\$276,228)	\$291,211	\$14,983

- d) The Tahsin Group is exposed to the following risks due to the implementation of the pension system under the Labor Standards Act:
- i. Investment Risks  
Investment risks: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the allocated amount of planned assets of the Group is not lower than interest calculated from the local bank's 2-year fixed deposit interest rate.
  - ii. Interest rate risk  
The decline in the interest rate of government bonds will increase the present value of defined welfare obligations, and at the same time, the debt investment return of the planned assets will also increase accordingly. Both of which will partially offset the impact of the net defined welfare liabilities.
  - iii. Salary risk  
The calculation basis for determining the present value of the benefit obligation is to refer to the future salaries of the project members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.
- e) The present value of the determined benefit obligation formulated by Tahsin Group is calculated by certified actuaries. The principal assumptions adopted on the valuation date are as follows:

Items	Valuation date	
	December 31, 2025	December 31, 2024
Discount rate	1.25%	1.50%
Rate of future salary increase	3.00%	3.00%
Average duration of defined benefit obligations	7.7 years	8.3 years

- i. Future Mortality Rate is estimated based on the 2021 Taiwan Standard Ordinary Experience Mortality Table.

- ii. If the major actuarial assumptions are subject to reasonably possible changes with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

Items	December 31, 2025	December 31, 2024
Discount rate	1.25%	1.50%
Increase 0.25%	<u>(\$5,347)</u>	<u>(\$5,606)</u>
Decrease 0.25%	<u>\$5,505</u>	<u>(\$5,779)</u>
Rate of future salary increase	3.00%	3.00%
Increase 0.25%	<u>\$5,321</u>	<u>\$5,597</u>
Decrease 0.25%	<u>(\$5,196)</u>	<u>(\$5,458)</u>

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

- f) Tahsin Group expects to make contributions of NTD3,120 thousand to the pension plans in the year ended December 31, 2026.
- m. Short-term loans

Nature of borrowing	December 31, 2025	
	Amount	Interest Rate
Credit loan	\$49,700	0.977%
Mortgage loan	59,640	1.22%~1.55%
Total	<u>\$109,340</u>	
	December 31, 2024	
Nature of borrowing	Amount	Interest Rate
Credit loan	\$51,975	0.93%
Mortgage loan	66,528	0.76%~1.4%
Total	<u>\$118,503</u>	

For short-term borrowings, the Tahsin Group pledged part of its other financial assets, properties, plants and equipment, and investment properties as collateral. Please refer to Note 8 for details.

- n. Other payable

Item	December 31, 2025	December 31, 2024
Salaries and bonuses payable	\$85,245	\$83,331
Insurance premiums payable	4,751	4,502
Processing fees payable	10,206	18,381
Pension payable	21,262	23,505
Directors' remuneration payable	780	1,140
Employees' remuneration payable	4,997	5,665
Other payable	45,358	59,088
Total	<u>\$172,599</u>	<u>\$195,612</u>

o. Provision for liabilities

Items	2025	2024
Beginning balance	\$8,458	\$8,458
Increase in provision	6,628	6,601
Decrease in provision	(6,628)	(6,601)
Ending balance	\$8,458	\$8,458

The liability provision is prepared according to the employee accumulated leave payouts, which are estimated based on historical experiences, management assessment and other known reasons.

p. Share capital

- 1) The reconciliation of the Company's outstanding number of common stocks and its amounts at beginning and end of period is as follows:

Items	December 31, 2025	
	Number of Shares (Thousands)	Amount
Balance at January 1	99,099	\$990,990
Balance at December 31	99,099	\$990,990

Items	December 31, 2024	
	Number of Shares (Thousands)	Amount
Balance at January 1	99,099	\$990,990
Balance at December 31	99,099	\$990,990

- 2) As of December 31, 2025 and 2024, the Company had a nominal capital of NTD2,415,227 thousand, which is divided into 241,523 thousand shares (NTD10 per share). The paid-in capital was NTD990,990 thousand. The actual number of shares issued was 99,099 thousand.

q. Capital Surplus

Items	December 31, 2025	December 31, 2024
Treasury share transactions	\$251,850	\$235,776
Difference between the price received from acquisition or disposal of interest in subsidiaries and book value	2,113	2,113
Others (return of overdue unclaimed dividends)	2,378	2,110
Total	\$256,341	\$239,999

r. Retained earnings and dividend policy

The surplus distribution policy stipulated in the original articles of association stipulates that if there is profit in its general final account, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. In addition, special surplus reserve shall be allocated or reversed in accordance with laws and regulations or regulations of the competent authority. If there is any surplus, the balance shall be added to the accumulated undistributed surplus. The Board of Directors shall prepare a distribution motion, to be submitted to the shareholders' meeting for resolution before issuance of new shares. After the shareholders' meeting on June 5, 2020, it was revised as follows: The Company's surplus distribution or loss allowance can be made after the end of each semi-financial year, if there is any surplus in the semi-financial year's final accounts, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. As stipulated by law or regulations or competent authority, the remaining balance shall then be appropriated for provisions or special reserve reversed. If there are still surplus and/or accumulated undistributed earnings, the Board of Directors shall submit an allocation proposal, and where new shares are issued, resolution at the shareholders' meeting shall be adopted before allocation.

Pursuant to Paragraph 5 of Article 240 of the Company Act, the company may authorize the distributable dividends and bonuses or in whole or in part legal reserve and capital reserve as provided in Paragraph 1 of Article 241 of the Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company has too diverse products to be divided by the stages of growth. With steady profitability and sound financial structure, the Company is able to distribute dividends and bonuses in cash at a ratio of 20% to 100% in principle. However, when there is any important investment, the company may reallocate all dividends and bonuses for a capital increase.

- 1) The statutory surplus reserve shall not be used except for the loss of the Company and the issuance of new shares or cash in proportion to the original share of the shareholders. However, if new shares or cash is issued, it shall be limited to the surplus exceeding 25% of the paid-in capital.
- 2) Special reserve
  - a) The Company may allocate earnings only after providing special reserve for debt balance under other equity on the balance sheet date, and the reversal of debit balance under other equity, if any, may be stated as distributable earnings.
  - b) As initial application of IFRSs, the special reserve set aside in accordance with the order issued by the FSC, the Company shall reverse the special reserve set aside proportionately as distributable retained earnings when the relevant assets are used, disposed of or reclassified subsequently. In May, 2020, due to the disposal of land revalued before the year 2012, NTD1,941,491 thousand was transferred from special reserves to retained earnings.
- 3) The Company's resolutions on earnings distribution and dividends per share for the first half of 2023 and the second half of 2023 approved by the Board of Directors on March 12, 2024 and August 11, 2023 are as follows:

Items	Profit distribution plan		Dividends per Share (NTD)	
	First half of 2023	Second half of 2023	First half of 2023	Second half of 2023
Ordinary cash dividends	\$247,747	\$346,847	2.50	2.50

The distribution of cash dividends was reported to the shareholders' meeting on June 21, 2024 ; the reversal and appropriation of other earnings items were approved by electronic voting at the general meeting of shareholders before June 21, 2024.

- 4) The Company's resolutions on profit distribution plan and dividends per share for the first and second halves of 2024 approved by the Board of Directors on August 12, 2024 and March 12, 2025 respectively are as follows:

Items	Profit distribution plan		Dividends per Share (NTD)	
	First half of 2024	Second half of 2024	First half of 2024	Second half of 2024
Ordinary cash dividends	\$247,747	\$247,748	2.50	2.50

The distribution of cash dividends was reported to the shareholders' meeting on June 20, 2025; the reversal and appropriation of other earnings items were approved by electronic voting at the general meeting of shareholders before June 20, 2025.

- 5) The appropriations of earnings and dividends per share for the first half of 2024 had been proposed by the Company's Board of Directors on August 12, 2025, and they are as follows:

Items	Profit distribution plan	Dividends per Share (NTD)
	First half of 2025	First half of 2025
Ordinary cash dividends	\$198,198	2.00

- 6) The appropriations of earnings and dividends per share for the second half of 2025 had been proposed by the Company's Board of Directors on March 12, 2026, and they are as follows:

Items	Profit distribution plan	Dividends per Share (NTD)
	Second half of 2025	Second half of 2025
Ordinary cash dividends	\$247,747	2.50

7) Information on employee compensation resolved by the Board meetings is available on the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

s. Other equities

Items	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	(\$63,451)	\$732,300	(\$668,849)
Exchange differences on translation of financial statements of foreign operations	(12,127)	-	(12,127)
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	-	1,049,983	1,049,983
The shares of affiliates and joint ventures are recognized by the equity method	-	(21,008)	(21,008)
Disposals of investments in equity instruments designated at fair value through other comprehensive income		(461,483)	(461,483)
Unrealized valuation profit or loss on investments in debt instruments at fair value through other comprehensive income		4,843	4,843
Balance at December 31, 2025	(\$75,578)	\$1,304,635	\$1,229,057

Items	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	(\$87,329)	\$1,977,050	\$1,889,721
Exchange differences on translation of financial statements of foreign operations	23,878	-	23,878
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	-	(945,657)	(945,657)
The shares of affiliates and joint ventures are recognized by the equity method	-	(24,638)	(24,638)
Disposals of equity instruments at fair value through other comprehensive income		(264,908)	(264,908)
Unrealized valuation profit or loss on investments in debt instruments at fair value through other comprehensive income		(9,547)	(9,547)
Balance at December 31, 2024	(\$63,451)	\$732,300	\$688,849

t. Treasury stock  
December 31, 2025

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Unit: Thousand shares
			Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	3,572	-	3,572

December 31, 2024

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Unit: Thousand shares
			Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	3,572	-	3,572

1) Investments in the Company's shares held by its subsidiaries are regarded as treasury stock, where these subsidiaries can still receive dividends from the Company but are not able to exercise their voting rights. As of December 31, 2025 and December 31, 2024, the Company's investment company, Tah Fa Investment Co., Ltd., held 3,572 thousand shares, with a total cost of NTD83,230 thousand. The investment company continued to hold its shares due to a stable share price, where its market price per share was NTD64.50 and NTD69.90 as of December 31, 2025 and December 31, 2024, respectively.

2) As of December 31, 2025 and 2024, the Group pledged shares of the parent company (held by a subsidiary and accounted for as treasury shares) as collateral for commercial paper issued by a subsidiary. The carrying amount of the pledged shares was NTD46,601 thousand for both years, and their fair values at the end of the reporting periods were NTD129,800 thousand and NTD139,800 thousand, respectively.

u. Non-controlling interests

Items	December 31, 2025	December 31, 2024
Beginning balance	\$29,096	\$28,730
Share attributable to non-controlling interests:		
Net profit/(loss) for the year	3,198	3,328
Other comprehensive income/(loss) for the year	(33)	746
Increase (decrease) in non-controlling interest	-	(3,708)
Total	\$32,261	\$29,096

v. Operating revenue

Items	December 31, 2025	December 31, 2024
Revenue from customer contracts		
Sales revenue	\$2,286,220	\$2,147,994
Less: Sales return and allowance	(8,860)	(3,899)
(Net) Revenue from Contracts with Customers	\$2,277,360	\$2,144,095
Others	5,174	2,965
Total	\$2,282,534	\$2,147,060

1) Description of customer contract

Tahsin Group produces plastic products for the midstream and downstream of the plastics industry. Applied to daily supplies, the main products include raincoats, garments, PP corrugated boards, and binding machines, and laminators. In terms of export, materials of rainwear and garments are prepared in Taiwan for production overseas; in terms of domestic sales, rainwear and garments, including workwear, are sold by distributors. Tahsin Group's products are sold at fixed prices according to the contractual terms.

2) Customer contract revenue breakdown

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following operating segments:

Product Category	December 31, 2025	December 31, 2024
Raincoat	\$1,265,692	\$1,111,182
Garment	453,359	424,040
Binding machine	140,441	151,465
PP corrugated board	228,948	239,679
Others	194,094	220,694
Total	<u>\$2,282,534</u>	<u>\$2,147,060</u>

Region	December 31, 2025	December 31, 2024
Taiwan	\$517,541	\$498,587
America	314,476	297,663
Europe	716,839	663,287
Japan	302,681	305,082
Others	430,997	382,441
Total	<u>\$2,282,534</u>	<u>\$2,147,060</u>

3) Contract balance

The Group's accounts receivable and contract liabilities relating to contract revenue are as follows:

Items	December 31, 2025	December 31, 2024	January 31, 2024
Notes receivable and payments	\$403,363	\$473,690	\$332,705
Less: provision for losses	(12,238)	(12,876)	(8,930)
Total	<u>\$391,125</u>	<u>\$460,814</u>	<u>\$323,775</u>
Contract liabilities - current	<u>\$11,264</u>	<u>\$44,271</u>	<u>\$7,379</u>

a) Significant changes in contract assets and liabilities

The changes in contract assets and contract liabilities mainly arise from the difference between the time of fulfilling the obligations and the time of customer payment, and there are no other significant changes.

b) The amount of contract liabilities from the beginning of the year that are recognized in operating revenue in 2025 and 2024 were NTD 43,135 thousand and NTD 6,867 thousand respectively.

4) Unfulfilled customer contracts

As of December 31, 2025 and 2024, the Group expected that the lifetime of unfulfilled contracts with customers relating to the sale of products or service was within one year and that such contracts would be fulfilled within one year and recognized as revenue.

w. Employee benefits, depreciation and amortization expenses

Category	December 31, 2025		Total
	Classified as operating costs	Classified as operating expenses	
Employee benefits expense			
Salary expenses	\$289,004	\$171,188	\$460,192
Labor and health insurance	23,095	12,421	35,516
Pension expenses	5,770	7,036	12,806
Other employee benefits	15,127	11,992	27,119
	<u>\$332,996</u>	<u>\$202,637</u>	<u>\$535,633</u>
Depreciation expenses	<u>\$54,538</u>	<u>\$41,997</u>	<u>\$96,535</u>
Amortization expense	-	-	-

Category	December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense			
Salary expenses	\$276,433	\$175,052	\$451,485
Labor and health insurance	21,233	12,820	34,053
Pension expenses	5,161	6,535	11,696
Other employee benefits	17,991	12,821	30,812
	<u>\$320,818</u>	<u>\$207,228</u>	<u>\$528,046</u>
Depreciation expenses	<u>\$59,386</u>	<u>\$40,890</u>	<u>\$100,276</u>
Amortization expense	-	-	-

- 1) If the Company records an annual profit, no less than 0.5% of its pre-tax income before deducting employee remuneration and directors' and supervisors' remuneration shall be distributed as employee remuneration, whereas no more than 0.5% shall be distributed as directors' and supervisors' remuneration. However, when the Company has accumulated losses, the amount to cover the losses shall be reserved in advance. The resolution on the remuneration of employees and directors and supervisors in the preceding paragraph shall be adopted by a special resolution of the board of directors and reported to the shareholders' meeting. The abovementioned employee remuneration shall be distributed in the form of shares or cash. The recipients of the aforementioned employee remuneration include employees of controlled or subsidiary companies meeting certain criteria, which are authorized to be determined by the board of directors.
- 2) The Company's shareholders' meeting on June 20, 2025, resolved to amend the Articles of Incorporation as follows:  
If the Company records an annual profit, any remaining balance after covering accumulated losses shall be distributed as follows: no less than 0.5% as employee remuneration; no more than 0.5% as directors' remuneration; and no less than 0.5% for salary adjustments or remuneration distribution for base-level employees. The Board of Directors is authorized to determine the method for such distribution or adjustment.  
The resolutions regarding the remuneration for employees and directors in the preceding paragraph shall be adopted by a special resolution of the Board of Directors and reported to the shareholders' meeting. Employee remuneration may be distributed in the form of shares or cash. The recipients of such remuneration may include employees of controlled or subordinate companies meeting certain specific requirements; the same shall apply to the recipients of the salary adjustments mentioned in the first paragraph.
- 3) Compensation to employees and remuneration to directors and supervisors for the years of 2025 and 2024 were resolved and approved by the Board of Directors on March 12, 2026 and March 12, 2025. Relevant amounts recognized in the financial statement are as follows:

	December 31, 2025			December 31, 2024	
	Employee Compensation	Remuneration for base-level employees	Remuneration of directors	Employee Compensation	Remuneration of directors
Approved amount of distribution	\$850	\$850	\$780	\$1,280	1,140
Amounts recognized in the annual financial statements	850	850	780	1,280	1,140
Differences	-	-	-	-	-

- a) The employee remunerations listed above are all paid in cash.
- b) If there are changes made to the amount after the annual financial statements are published, the changes shall be handled as changes in accounting estimates and recognized in the next year's financial statements.
- 4) For information on the Company's remunerations for employee and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of Taiwan Stock Exchange.

x. Interest revenue

Items	December 31, 2025	December 31, 2024
Interest revenue		
Interest on bank deposits	\$65,904	\$77,505
Financial assets interests at fair value through other comprehensive income	8,649	7,919
Total	<u>\$74,553</u>	<u>\$85,424</u>

y. Other income

Items	December 31, 2025	December 31, 2024
Rental income		
Investment properties		
Variable rent not depending to index or rate changes	\$26,885	\$18,264
Other operating leases		
Variable rent not depending to index or rate changes	16,707	8,940
Other rent	329	309
Total rental income	<u>43,921</u>	<u>27,513</u>
Dividend revenue	112,400	109,963
Other income	10,394	8,414
Total	<u>\$166,715</u>	<u>\$145,890</u>

z. Other profits and losses

Items	December 31, 2025	December 31, 2024
Gain (loss) on disposal of property, plant and equipment	(\$649)	(\$2,266)
Gain (loss) on lease modification	1,245	-
Gain (loss) on foreign currency exchange	(45,726)	98,344
Loss of financial assets (liabilities) measured at fair value through profit or loss	(1,150)	1,011
Gain on disposal of investments	(5,941))	416
Miscellaneous expenses	(18,641)	(11,957)
Total	<u>(\$70,862)</u>	<u>\$85,548</u>

aa. Financial costs

Items	December 31, 2025	December 31, 2024
Interest expense:		
Bank loans	\$1,430	\$1,132
Interest on lease liabilities	885	1,242
Subtotal	<u>\$2,315</u>	<u>\$2,374</u>
Less: Amount qualified for capitalization	-	-
Financial costs	<u>\$2,315</u>	<u>\$2,374</u>

bb. Income tax

1) Income tax expense

a) Income tax expense (benefit) components:

Items	December 31, 2025	December 31, 2024
<u>Current income tax</u>		
Income tax generated in the current period	\$37,009	\$34,715
Income tax overestimate/underestimate for previous years	2,580	4,142
Total income tax for the year	\$39,589	\$38,857
<u>Deferred income tax</u>		
Origination and reversal of temporary differences	(28,263)	14,266
Deferred income tax expenses	(\$28,263)	\$14,266
Income tax expense (gains)	\$11,326	\$53,123

b) Income tax expense (benefit) related to other comprehensive income:

Items	December 31, 2025	December 31, 2024
Exchange differences on translation of foreign operating organizations' financial statements	(\$3,032)	\$5,969

2) The reconciliation of accounting income and income tax expense recognized in profit and loss for the current year is as follows:

Items	December 31, 2025	December 31, 2024
Net profit before taxes	\$162,256	\$262,020
Net profit before tax is calculated at the statutory tax rate	\$34,337	\$54,353
Effect of taxes on adjusted items:		
Effect of items not included when calculating taxable income		
Loss deduction	18,873	(3,020)
Unpaid pensions	(968)	(209)
Loss (Gain) on investments accounted for using equity method	(3,817)	(4,303)
Tax-exempt income	(22,480)	(21,993)
Unrealized exchange gains and losses	11,595	(11,088)
Gain and loss on valuation of financial assets	(56)	(247)
Gain and loss on valuation of financial liabilities	17	-
Loss (gain) on Inventory valuation losses	(116)	(221)
Other adjustments	(376)	21,443
Income tax adjustment for the previous year	2,580	4,142
Net change in deferred income tax	(28,263)	14,266
Income tax expense (gains) recognized in profit or loss	\$11,326	\$53,123

The tax rate applicable to individuals of Tahsin Group applying the Income Tax Act of the Republic of China is 20%, and the tax rate applicable to undistributed earnings is 5%. The tax generated in other jurisdictions is calculated according to the tax rate applicable in each relevant jurisdiction.

In July of 2019, the President announced the amendment to the Statute for Industrial Innovation, which clearly stipulated that the undistributed earnings from 2018 onwards to build or purchase specific assets or technologies to reach a certain amount can be recognized as deduction items in the calculation of

undistributed earnings. The Company only deducted the capital expenses that has actually been invested when calculating the tax on unappropriated earnings.

- 2) Deferred income tax assets or liabilities from temporary difference, loss carry forwards and investment credits:

Items	December 31, 2025				
	Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Foreign exchange gains and losses	Ending balance
Deferred tax assets:					
Temporary differences					
Unrealized inventory valuation losses	\$275	(\$61)	-	(\$10)	\$204
Unrealized gross profit margin	745	5	-	-	750
Unrealized claim preparation	1,964	(1,869)	-	(95)	-
Unrealized bonus and social insurance	119	-	-	(5)	114
Unrealized employee benefit liabilities	1,692	-	-	-	1,692
Unpaid pensions	6,892	(235)	-	(293)	6,364
Foreign investment losses under the equity method	49,083	(1,629)	-	-	47,454
Loss assessment of financial assets	-	17	-	(1)	16
Differences in recognition of allowance loss	114	(44)	-	(3)	67
The depreciation assets are adjusted according to the tax law	7,127	1,246	-	(286)	8,087
Unused loss deduction	4,957	18,873	-	(95)	23,735
Debit (credit) accounting by foreign operating agencies	15,863	-	\$3,032	-	18,895
Exchange differences in financial statement translation					
Subtotal	\$88,831	\$16,303	\$3,032	(\$788)	\$107,378
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange	(\$18,298)	\$11,595	-	-	(\$6,703)
Gain assessment of financial assets	(435)	365	-	\$3	(67)
Land Value Increment Tax	(180,746)	-	-	-	(180,746)
Subtotal	(\$199,479)	\$11,960	-	\$3	(\$187,516)
Total	(\$110,648)	\$28,263	\$3,032	(\$785)	(\$80,138)

December 31, 2024

Items	Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Foreign exchange gains and losses	Ending balance
Deferred tax assets:					
Temporary differences					
Unrealized inventory valuation losses	\$253	\$33	-	(\$11)	\$275
Unrealized gross profit margin	417	328	-	-	745
Unrealized claim preparation	3,132	(1,349)	-	181	1,964
Unrealized bonus and social insurance	106	18	-	(5)	119
Unrealized employee benefit liabilities	1,692	-	-	-	1,692
Unpaid pensions	6,647	536	-	(291)	6,892
Foreign investment losses under the equity method	49,083	-	-	-	49,083
Impairment loss on financial assets	108	(108)	-	-	-
Differences in recognition of allowance loss	110	9	-	(5)	114
The depreciation assets are adjusted according to the tax law	6,268	514	-	345	7,127
Unused loss deduction	7,537	(3,020)	-	440	4,957
Debit (credit) accounting by foreign operating agencies	21,832	-	(\$5,969)	-	15,863
Exchange differences in financial statement translation					
Subtotal	<u>\$97,185</u>	<u>(\$3,039)</u>	<u>(\$5,969)</u>	<u>\$654</u>	<u>\$88,831</u>
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange	(\$7,210)	(\$11,088)	-	-	(\$18,298)
Gain assessment of financial assets	(311)	(139)	-	\$15	(435)
Land Value Increment Tax	(180,746)	-	-	-	(180,746)
Subtotal	<u>(\$188,267)</u>	<u>(\$11,227)</u>	<u>-</u>	<u>\$15</u>	<u>(\$199,479)</u>
Total	<u>(\$91,082)</u>	<u>(\$14,266)</u>	<u>(\$5,969)</u>	<u>\$669</u>	<u>(\$110,648)</u>

4) Items not recognized as deferred tax assets

Items	December 31, 2025	December 31, 2024
Loss on investment accounted for using the equity method	\$56,311	\$54,084
Loss deduction	6,361	100,405
Total	\$62,672	\$154,489

5) The Company's corporate income tax returns have been assessed by the Tax Authorities until 2023.

cc. Other comprehensive income

Items	December 31, 2025		
	Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	\$5,366	-	\$5,366
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	1,049,983	-	1,049,983
Share of affiliated enterprises and joint ventures recognized by equity method			
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	(21,008)	-	(21,008)
Subtotal	1,034,341	-	1,034,341
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operating organizations' financial statements	(15,192)	\$3,032	(12,160)
Unrealized valuation profit or loss on investments in liability instruments at fair value through other comprehensive income	4,843		4,843
Subtotal	(10,349)	3,032	(7,317)
Recognized in other comprehensive income	\$1,023,992	\$3,032	\$1,027,024

Items	December 31, 2024		
	Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	\$14,613	-	\$14,613
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	(945,657)	-	(945,657)
Share of affiliated enterprises and joint ventures recognized by equity method			
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	(24,638)	-	(24,638)
Subtotal	(955,682)	-	(955,682)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operating organizations' financial statements	30,593	(\$5,969)	24,624
Unrealized valuation profit or loss on investments in liability instruments at fair value through other comprehensive income	(9,547)	-	(9,547)
Subtotal	21,046	(5,969)	15,077
Recognized in other comprehensive income	(\$934,636)	(\$5,969)	(\$940,605)

dd. Earnings Per Share

Items	December 31, 2025	December 31, 2024
A. Basic earnings per share:		
Net profit attributable to common shareholders of the parent company	\$147,732	\$205,569
Weighted average number of outstanding shares (thousand shares)	95,527	95,527
Basic earnings per share (after tax) (NTD)	\$1.55	\$2.15
B. Diluted earnings per share:		
Net profit attributable to common shareholders of the parent company	\$147,732	\$205,569
Weighted average number of outstanding shares	95,527	95,527
The effect of diluting potential common stocks:		
Number of employees' compensation impacts (note)	30	23
Calculate the weighted average number of outstanding shares of diluted earnings per share	95,557	95,550
Diluted earnings per share (after tax) (NTD)	\$1.55	\$2.15

(Note) If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

ee. Reconciliation of liabilities from fund-raising activities

Items	January 1, 2025	Cash flow	Non-cash Changes		December 31, 2025
			Fluctuation in exchange	Other Non-cash Changes	
Short-term loans	\$118,503	(\$4,130)	(\$5,033)	-	\$109,340
Lease liabilities (including current and non-current)	64,147	(11,406)	(2,107)	(\$26,207)	24,427
Guarantee deposits received	5,834	3,194	13	-	9,041
Total liabilities from financing activities	\$188,484	(\$12,342)	(\$7,127)	(\$26,207)	\$142,808

Items	January 1, 2024	Cash flow	Non-cash Changes		December 31, 2024
			Fluctuation in exchange	Other Non-cash Changes	
Short-term loans	\$129,017	(\$5,047)	(\$5,467)	-	\$118,503
Lease liabilities (including current and non-current)	74,638	(13,152)	2,661	-	64,147
Guarantee deposits received	6,207	(451)	78	-	5,834
Total liabilities from financing activities	\$209,862	(\$18,650)	(\$2,728)	-	\$188,484

**(VII.) Related Party Transactions**

- a. The parent company and the ultimate controlling party  
The Company is the ultimate controller of Tahsin Group.
- b. Name and relation of related party

Name of Related Party	Relationship with the Merged Company
Truong Giang Garment Joint-stock Company (TGC)	Related enterprise
Fujian Putian DAFU Plastic Industry Co., Ltd. (DAFU Co., Ltd.)	Other related party
TAMERICA PRODUCTS, INC.(T.P.I.)	Other related party
HAVE OUR PLASTIC INC. CANADA (HOP CANADA)	Other related party
HOP INDUSTRIAL CORP. U.S.A. (HOP U.S.A.)	Other related party
All directors, presidents, and vice presidents	Main members of the senior management

c. Substantial Transaction with Related Party

The balances and transactions between Tahsin Group and its subsidiaries (related parties of the company) were removed during the preparation of the consolidated financial statements. Details of transactions between Tahsin Group and other related parties are as follows:

1) Operating revenue

<u>Ledger account</u>	<u>Type/name of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Sales revenue	Other related party	\$80,973	\$120,518
Total		\$80,973	\$120,518

The Tahsin Group's transaction price of sales revenue to related parties is based on the transaction prices and conditions of customers, the terms and conditions conformed to normal business practices, and payment period is about 1 to 3 months.

2) Purchases: None.

3) Contract asset: None.

4) Contract liability: None.

5) Accounts receivable from related parties (excluding loans and contract assets to related parties)

<u>Items</u>	<u>Type/name of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Account receivables	Other related party	\$10,414	\$22,811
Less: provision for losses		(312)	(685)
Net amount		\$10,102	\$22,126
Other receivables	Other related party	\$557	\$893

6) Accounts payable from related parties (excluding loans from related parties)

<u>Items</u>	<u>Type/name of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables	Related enterprise	\$3,665	\$5,924
	Other related party	1,444	332
Total		\$5,109	\$6,256

7) Prepayment: None.

8) Property transaction: None.

9) Tenancy agreement: None.

10) Rental agreement:

The Group leases part of its machineries and equipment and other assets to DAFU as operating lease.

The machinery and equipment leased is used for processing products, and the rental income is calculated based on the amount of depreciation.

The lease term of all the above contracts is one year. As of December 31, 2025 and 2024, the total future lease payment to be received is zero thousand. The rental income recognized for years 2025 and 2024 were NTD 329 thousand and NTD 309 thousand, respectively.

11) Loan to related parties: None.

12) Loan from related parties: None.

13) Endorsement and guarantee: None.

14) Others

a) Income items

<u>Ledger account</u>	<u>Type/name of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Processing fees	Other related party	\$7,273	\$6,297
	Related enterprise		
	Truong Giang Garment Joint-stock Company (TGC)	70,791	72,970
Total		\$78,064	\$79,267

d. Remuneration to the top management

Items	December 31, 2025	December 31, 2024
Salaries and other short-term employee benefits	\$33,171	\$32,900
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	\$33,171	\$32,900

**(VIII.) Pledged Assets**

The following assets were provided as collateral for various borrowings and performance guarantees:

Items	December 31, 2025	December 31, 2024
Other financial assets - current	\$4,681	\$4,895
Property, plant and equipment (net)	603,645	670,056
Investment properties (net)	200,165	147,805
Total	\$808,491	\$822,756

**(IX.) Significant Contingent Liabilities and Unrecognized Contractual Commitments**

- a. For the years ended December 31, 2025 and 2024, the guaranteed notes received by the Group for project performance guarantees and ensure payment claims, etc. were NTD 90,541 thousand and NTD 85,717 thousand, respectively.
- b. As of December 31, 2025 and 2024, the Group had issued performance guarantee promissory notes in the amounts of NTD0 thousand and NTD10,000 thousand, respectively, in connection with sales contracts entered into with customers.
- c. Significant capital expenditures contracted but not yet incurred:  
As of December 31, 2025 and 2024, the Group had entered into a construction contract with Lee Ming Construction Co., Ltd. for the development of an office and residential building located in Yongsin Section, Nantun District, with a total contract amount of NTD314,286 thousand. As of those dates, payments made under the contract amounted to NTD260,000 thousand and NTD88,571 thousand, respectively.  
As of December 31, 2025 and 2024, the Group had also signed a commissioned construction and urban renewal implementation agreement with Formosa Plastics Construction Corporation for the Formosa Taipei Building urban renewal project. The total commissioned construction fee was NTD595,271 thousand, and payments made under the agreement amounted to NTD89,291 thousand and NTD89,291 thousand, respectively.

**(X.) Significant Disaster Losses: None.**

**(XI.) Significant Events after the Balance Sheet Date: None.**

**(XII.) Others**

a. Capital Risk Management

Tahsin Group plans its needs for working capital and dividend payments in the future based on the characteristics of the industries to which its operations belong and future development of Tahsin Group, and by taking into consideration changes in the external environment, to ensure that it can continue the operations, give back to shareholders, and protect the interests of stakeholders at the same time, as well as maintain the best capital structure to enhance shareholder value in the long run. To maintain an adjustable capital structure, Tahsin Group may adjust the amount of dividends paid to shareholders by issuing new shares, distributing cash to shareholders or buying back its shares.

Tahsin Group monitors its funds by regularly reviewing the asset-to-debt ratio.

b. Financial instruments

1) Financial risk of financial instruments

a) Financial risk management policies

The daily operations of Tahsin Group are affected by a number of financial risks, including market risk (exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk. To reduce related financial risks, Tahsin Group is committed to identifying, assessing and avoiding market uncertainties, so as to reduce potentially unfavorable effects of market changes on its financial performance.

Tahsin Group's major financial activities are reviewed by its Board of Directors (and the Audit Committee) according to the relevant regulations and its internal control system. When executing financial plans, the Tahsin Group abides by operating procedures for overall financial risk management and the division of powers and responsibilities.

b) The nature and degree of significant financial risks

i. Market risks

i) Exchange risks

Tahsin Group is exposed to exchange rate risks arising from sales, purchases and net investments in foreign operating entities that are not denominated in the functional currency of the Group. Tahsin Group's functional currency is New Taiwan dollar, while other currencies used by Tahsin Group are Renminbi, U.S. dollar, and Japanese Yen. The major currencies in which these transactions are denominated are U.S. dollars, etc. The Group's foreign currency receivables are the same as part of the foreign currency payables. As such, some positions will have a natural hedging effect. In order to avoid the decrease of foreign currency asset value and the fluctuation of future cash flow due to the change of exchange rate, the Group uses derivative instruments (including pre-purchase/pre-sale forward exchange contracts, etc.) to hedge exchange rate risks. The use of such derivative instruments can assist the Group in reducing the effects of changes in foreign exchange rates, but is still unable to fully eliminate such effects.

The derivative instruments used by Tahsin Group mature within 12 months and do not satisfy the qualifying criteria for hedge accounting.

Due to the fact that net investments in foreign operating entities are strategic investments, Tahsin Group has not hedged these investments.

(a) The analysis of foreign exchange exposures and sensitivity is as follows:

Item	December 31, 2025			December 31, 2024		
	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	\$40,079	31.380	\$1,257,681	\$45,251	32.735	\$1,481,277
USD:JPY	564	156.65	17,685	1,088	157.18	35,620
USD:RMB	33	7.0190	1,033	104	7.3512	3,394
JPY:NTD	145,276	0.1988	28,881	97,615	0.2079	20,294
Non-monetary items						
USD:NTD	20,874	31.380	655,022	20,785	32.735	680,392
JPY:NTD	514,422	0.1988	102,267	526,976	0.2079	109,558
Financial liabilities						
Monetary items						
USD:NTD	1,559	31.380	48,920	1,867	32.735	61,108
USD:JPY	224	156.65	7,043	276	157.18	9,026

The sensitivity analysis of Tahsin Group's exchange rate risk is mainly performed to assess the effects of appreciation/depreciation of foreign currency monetary and non-monetary items on Tahsin Group's profit or loss and equity at the end of the reporting period. The exchange rate risk of Tahsin Group is mainly affected by the fluctuation of the exchange rate of USD and JPY.

When the appreciation/depreciation of USD and JPY is 5%, the after-tax net profit of the Group in 2025 and 2024 will increase/decrease by NTD49,914 thousand and

NTD58,668 thousand respectively, and the equity will increase/decrease by NTD30,292 thousand and NTD31,598 thousand respectively.

- (b) Due to the exchange rate volatility, total exchange gains and losses (including realized and unrealized) on Tahsin Group's monetary items amounted to (NTD45,726) thousand and NTD98,344 thousand as of December 31, 2025 and 2024, respectively.
- ii) Other price risks  
As the investment held by the Group in the consolidated balance sheets is classified as financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive income, the Group is exposed to the price risk of financial instruments.  
Tahsin Group mainly invests in stocks and beneficiary certificates of domestic listed and unlisted OTC companies. The price of these financial instruments will be affected by the certainty of the future value of the investment targets. If the price of financial instruments rises or falls by 5%, other comprehensive profit and loss after tax in 2025 and 2024 will increase or decrease by NTD907 thousand and NTD893 thousand respectively, and the rise or decrease of the fair value after tax of financial assets measured by fair value through other comprehensive profits and losses increase or decrease by NTD194,343 thousand and NTD166,700 thousand respectively.
- iii) Interest rate risk  
The Group's exposure to interest rate risk primarily arises from its investment positions and financial liabilities. The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the reporting date are as follows.:

Items	Carrying amount	
	December 31, 2025	December 31, 2024
Interest rate risk with fair value: None.		
Financial assets	\$187,615	\$158,571
Interest rate risk with cash flow:		
Financial assets	\$2,643,202	\$2,536,698
Financial liabilities	(109,340)	(118,503)
Net amount	\$2,533,862	\$2,418,195

- (a) Sensitivity analysis of interest rate risk with fair value instruments  
The Group's fixed-rate financial assets expose the Group to fair value interest rate risk. A 1% increase or decrease in borrowing rates, assuming all other factors remain constant, would result in a decrease or increase of NTD1,876 thousand and NTD1,586 thousand, respectively, in the other comprehensive income for 2025 and 2024. This is primarily due to the classification of fixed-rate bond investments as financial assets measured at fair value through other comprehensive income, where changes in market interest rates result in corresponding changes in the fair value of bond investments  
The Group has not classified any fixed interest rate financial assets and liabilities measured at FVTPL, nor designated derivatives (interest rate swaps) as hedging tools under the fair value hedge accounting mode. Therefore, changes in interest rates on the reporting date will not affect profit or loss.
- (b) Sensitivity analysis of interest rate risk with cash flow  
Tahsin Group's variable interest rate financial instruments belong to floating interest rate assets (liabilities). Therefore, changes in market interest rates will result in changes in effective interest rates, thereby causing fluctuations in future cash flows. Every 1 percent increase in the market interest rate would lead to an increase in net profit before tax for 2025 and 2024 by NTD25,339 thousand and NTD24,182 thousand, respectively.

ii. Credit risk

Credit risk refers to the risk that a counterparty violates contractual obligations and causes financial loss to Tahsin Group. The Group is exposed to credit risk primarily from accounts receivables arising from operating activities, bank deposits arising from investing activities, and other financial instruments. Operations-related credit risks and financial credit risks are managed separately.

i) Operation related credit risk

To maintain the quality of accounts receivable, Tahsin Group has established procedures for the management of operations-related credit risks.

Factors that may affect customers' ability to pay, such as the financial status of a customer, Tahsin Group's internal credit rating, historical transaction records, and current economic conditions, are taken into account in the risk assessment of individual customers.

ii) Financial credit risk

The credit risks of bank deposits and other financial instruments are measured and monitored by the finance departments within Tahsin Group. The Group does not expect significant credit risk because the counter-parties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns. The management of credit risk of liability instruments is done through external agencies that assess credit ratings, credit quality of bonds, regional conditions, and counterparty risks to identify credit risk.

(a) The risk of credit concentration

As of December 31, 2025 and 2024, the top ten clients accounted for 79.91% and 77.63%, respectively, of Tahsin Group's accounts receivable. No significant credit concentration risk was shown from the remaining accounts receivables.

(b) Measurement of expected credit impairment losses

(1) Accounts receivable: A simplified approach is adopted, please refer to Note 6 (5) for details.

(2) Basis for judging whether the credit risk increases significantly: The Company's investments in debt instruments measured at amortized cost or investments in debt instruments measured at FVTOCI have acquired a good valuation with low credit risk.

(3) Tahsin Group obtained collateral of NTD89,000 thousand from some customers to avoid the credit risks of some financial assets.

(c) The credit risk rating grade information of the Group's investments in debt instruments at fair value through other comprehensive income is as follows:

(1) The credit risk rating grade information of the Group's investments in debt instruments at fair value through other comprehensive income is as follows:

Credit Risk Rating

Credit Rating	Definition	Basis for Recognition of Expected Credit Losses
Performing	The counterparty has a low credit risk and a strong capacity to meet contractual cash flows, and payments are less than 30 days past due.	12-month ECL
Underperforming	Payments are more than 30 days past due, or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
In Default	There is evidence indicating that the debtor faces severe financial difficulty and the Payments are more than 90 days past due, or there is objective evidence that the asset is credit-impaired.	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that the debtor faces severe financial difficulty and the Group has no reasonable expectation of recovery (e.g., payments are more than 365 days past due).	Direct write-off

(2) The gross carrying amount and the applicable expected credit loss rates of debt instrument investments, categorized by credit risk rating grades, are as follows:

December 31, 2025

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount	
		At fair value through other comprehensive income	At amortized cost
Performing	0%~1%	\$187,615	-
Underperforming	3%	-	-
In Default	20%~50%	-	-
Write-off	100%	-	-

December 31, 2024

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount	
		At fair value through other comprehensive income	At amortized cost
Performing	0%~1%	\$158,571	-
Underperforming	3%	-	-
In Default	20%~50%	-	-
Write-off	100%	-	-

iii. Liquidity risk

i) Liquidity risk management:

The objective of Tahsin Group's liquidity risk management is to maintain cash and cash equivalents, highly liquid securities and sufficient bank facilities required for its operations, so as to ensure that Tahsin Group possesses adequate financial flexibility.

ii) Analysis of maturity of financial liabilities:

The following table shows the analysis of Tahsin Group's financial liabilities based on the maturity and undiscounted due amount of these financial liabilities within the agreed repayment periods (note 6(10)2):

Non-derivative financial liabilities	December 31, 2025						Contractual cash flows	Carrying amount
	less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years			
Short-term loans	\$109,519	-	-	-	-	\$109,519	\$109,340	
Accounts payable (including related parties)	68,991	-	-	-	-	68,991	68,991	
Trade payables (including related parties)	35,702	-	-	-	-	35,702	35,702	
Other payables (including related parties)	60,103	-	-	-	-	60,103	60,103	
Guarantee deposits received	1,585	\$134	\$4,526	\$224	\$2,572	9,041	9,041	
<b>Total non-derivative financial liabilities</b>	<b>\$276,139</b>	<b>\$134</b>	<b>\$4,526</b>	<b>\$224</b>	<b>\$2,572</b>	<b>\$283,595</b>	<b>\$283,177</b>	
Forward exchange contracts								
Outflow	24,805	-	-	-	-	24,805	24,805	
Inflow	(24,751)	-	-	-	-	(24,751)	(24,751)	
Net amount	54	-	-	-	-	54	54	
<b>Total financial liabilities</b>	<b>\$276,193</b>	<b>\$134</b>	<b>\$4,526</b>	<b>\$224</b>	<b>\$2,572</b>	<b>\$283,649</b>	<b>\$283,231</b>	

		December 31, 2024						
Non-derivative financial liabilities		less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years	Contractual cash flows	Carrying amount
Short-term loans		\$118,672	-	-	-	-	\$118,672	\$118,503
Notes payable (including related parties)		101,309	-	-	-	-	101,309	101,309
Accounts payable (including related parties)		58,648	-	-	-	-	58,648	58,648
Other payables (including related parties)		84,623	-	-	-	-	84,623	84,623
Guarantee deposits received		73	\$760	\$267	\$1,950	\$2,784	5,834	5,834
Total non-derivative financial liabilities		\$363,325	\$760	\$267	\$1,950	\$2,784	\$369,086	\$368,917
Total financial liabilities		\$363,325	\$760	\$267	\$1,950	\$2,784	\$369,086	\$368,917

The Tahsin Group does not expect a significant difference in the cash flows timing or the actual amount from the maturity analysis.

2) Types of financial instruments

The book value of various financial assets and financial liabilities of the group as at December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$2,383,997	\$2,202,455
Notes and accounts receivable (including related parties)	391,125	460,814
Other receivables (including related parties)	20,223	20,095
Other financial assets - current	213,067	296,743
Refundable deposits	3,832	6,084
Other financial assets - non-current	73,771	73,475
Financial assets at fair value through profit or loss - current	18,141	19,245
Financial assets at fair value through other comprehensive income		2,727,275
Financial assets - current	3,246,121	
Financial assets at fair value through other comprehensive income - non-current	640,729	606,729
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term loans	109,340	118,503
Notes and accounts payable (including related parties)	104,693	159,957
Other payables (including related parties)	60,103	84,623
Guarantee deposits received	9,041	5,834
Financial liabilities measured at fair value through profit or loss - current	54	-

c. Information on fair value:

1) For information on fair value of financial assets and financial liabilities of Tahsin Group are not measured at fair value, please refer to Note 12 (3)3. For information on the fair value of financial assets and investments in real estate measured at cost of Tahsin Group, please refer to Note 6 (11).

2) Definition of fair value hierarchy

Level 1:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities. An active market is a market that meets all of the conditions set below: the items traded in the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public. Tahsin Group invests in listed and OTC stocks, beneficiary certificates, investments in on-the-run Taiwan's government bonds, and derivative instruments with quoted prices in active markets are all included.

Level 2:

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., price) or indirectly (e.g., derived from price) from the active markets. The fair value of the Group's investments in off-the-run government bonds, corporate bonds, financial bonds, convertible corporate bonds, and most derivative instruments belong to this level.

Level 3:

Level 3 inputs refer to inputs that measure fair value to the extent that relevant observable inputs are not available in the market. Some of Tahsin Group's investments in derivative instruments and equity instruments without active market.

3) Financial instruments not measured by fair value:

The Group's financial instruments not measured at fair value, such as cash and cash equivalents, notes and amounts receivable, other financial assets, deposits, notes and amounts payable, and the carrying value of guarantee deposits, are reasonable approximations to their fair values.

4) Fair value hierarchy

The financial instruments measured at fair value by Tahsin Group is on a recurring basis, and the information on the fair value hierarchy is as follows:

Items	December 31, 2025			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Beneficiary certificate	\$18,141	-	-	\$18,141
Financial assets at fair value through other comprehensive income				
Equity securities	3,246,121	-	\$453,114	3,699,235
Corporate bonds	-	\$187,615	-	187,615
<b>Total</b>	<b>\$3,264,262</b>	<b>\$187,615</b>	<b>\$453,114</b>	<b>\$3,904,991</b>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	-	\$54	-	\$54

Items	December 31, 2024			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss				
Forward foreign exchange contract		\$1,385		\$1,385
Beneficiary certificate	\$17,860	-	-	17,860
Financial assets measured at fair value through other comprehensive income				
Equity securities	2,727,275	-	\$448,158	3,175,433
Corporate	-	\$158,571	-	158,571
<b>Total</b>	<b>\$2,745,135</b>	<b>\$159,956</b>	<b>\$448,158</b>	<b>\$3,353,249</b>
<b>Liabilities</b>				

- 5) Fair value valuation technique for instruments measured at fair value:
- a) If a financial instrument has a quoted price in an active market, the quoted price will be adopted as the fair value.  
The categories and characteristics of fair value measurement for the financial instruments with active markets held by Tahsin Group were as follows:
    - i. Listed company stocks: closing prices.
    - ii. Open-end funds: net worth.
  - b) The fair value of stocks of unlisted (OTC) companies without an active market held by Tahsin Group is mainly estimated by the market method, and the judgment is made with reference to the evaluation of similar companies, third-party quotations, company net worth and operating conditions.
  - c) When evaluating non-standardized and less complex financial instruments, such as debt instruments, interest rate swaps, foreign exchange contracts and options in illiquid markets, the Company uses valuation techniques widely used by market participants. The parameters used in the valuation model of such financial instruments are usually from observable market information.
  - d) Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, such as discounted cash flows method and option pricing model. Forward foreign exchange contracts are usually valued based on the current forward exchange rates.
  - e) The output of the valuation model is the estimated value, and the valuation methods may not reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, the estimated value of the valuation model will be adjusted according to additional parameters, such as model risk or liquidity risk. According to the Company's fair value valuation model management policy and related control procedures, the management believes that it is appropriate and necessary to make appropriate adjustments to express the fair value of financial and non-financial instruments

in the individual balance sheet. The price information and parameters used in the valuation process are carefully evaluated and properly adjusted according to the current market situation.

- f) Tahsin Group incorporates the adjustment of credit risk assessment into the fair value measurement of financial and non-financial instruments to reflect the credit risk of counter-party and the credit quality of the Group.
- 6) Transfers between Level 1 and Level 2 fair value hierarchy: None.
- 7) Statement of changes in Level 3 fair value hierarchy:

Items	Equity securities	
	December 31, 2025	December 31, 2024
Beginning balance	\$448,158	\$587,866
Recognized in other comprehensive income	2,087	(139,708)
Acquisition in the current period	5,737	-
Disposal in the current period	-	-
Transfer into Level 3	-	-
Transfer out of Level 3	(2,868)	-
Ending balance	\$453,114	\$448,158

- 8) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement:

	Fair value as of December 31, 2025	Valuation Technique	Material Unobservable Inputs	Percentage	Relationship of inputs to fair value
Non-derivative equity instruments:	\$448,812	Net asset value method	Not applicable	Not applicable	Not applicable
Investment in shares of companies	4,302	Market approach	Lack of market liquidity discount	20%	The higher the lack of market liquidity discount, the lower the fair value
	Fair value as of December 31, 2024	Valuation Technique	Material Unobservable Inputs	Percentage	Relationship of inputs to fair value
Non-derivative equity instruments:	\$445,290	Net asset value method	Not applicable	Not applicable	Not applicable
Investment in shares of companies	2,868	Market approach	Lack of market liquidity discount	20%	The higher the lack of market liquidity discount, the lower the fair value

- 9) Valuation process for Level 3 fair value measurement:

The Group's valuation procedures for fair value measurements categorized within Level 3 are conducted by the Finance Department, which is responsible for the independent fair value verification of financial instruments. By using independent source data, the department ensures that valuation results align with market conditions and verifies that such data sources are independent, reliable, consistent with other resources, and representative of executable prices. Furthermore, the department regularly calibrates valuation models, performs back-testing, updates required inputs and data for the models, and makes any other necessary fair value adjustments to ensure that the valuation results are reasonable.

- d. Transfer of financial assets: None.
- e. Offsetting financial assets and financial liabilities: None.

**(XIII.) Additional Disclosures**

1. Information on significant transactions (before consolidation and write-off):
- 1) Loaning to Others: None.
  - 2) Endorsements/Guarantees Provided for Others: Table 1.
  - 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 2.
  - 4) Purchases or Sales with Related Parties Amounting to NTD100 Million or More than 20% of Paid-in Capital: None.
  - 5) Receivables From Related Parties Amounting to NTD100 Million or More Than 20% of Paid-in Capital: None.

- 6) Business relationships and significant transactions and amounts between the parent company and its subsidiaries and among subsidiaries: Table 3.
2. Information on Investee Companies: Table 4
3. Information on Investments in Mainland China (before consolidation and write-off)
  - 1) Information on any investee company in mainland China (name, main business, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 5.
  - 2) Significant transactions with Hong Kong Tai Ho Co., Ltd. for reinvestment in DAFU Plastic Industry Co., Ltd.: Please refer to Note 13 (1) for disclosure of information related to major transactions.
  - 3)
    - a) The Company (hereafter referred to as the Principal) entrusts Hong Kong Tai Ho Co., Ltd.(hereafter referred to as the Agent) to invest in DAFU Plastic Industry Co., Ltd. in Putian, China, and both parties agree to abide by the following terms and conditions:
      - i. The client appointed the trustee to invest in mainland China to establish Fujian Putian Dafu Plastic Industry Co., Ltd. with a total amount of USD8,100,000.
      - ii. The Agent shall apply to the Chinese competent authority for investment and capital increase in DAFU Plastic Industry Co., Ltd. in the Agent's name. The fund is to be remitted to the Mainland Area from Hong Kong by the Agent.
      - iii. Should Fujian Putian DAFU Plastic Industry Co., Ltd. has any income or interest distribution, the trustee shall first receive the interest and then remit it to it to the client.
      - iv. If DAFU Plastic Industry Co., Ltd is required to return the investment fund due to capital reduction, cessation of operation or other reasons, the Agent shall firstly obtain the said amount and then transfer the amount in full to the Principal.
      - v. If the Agent is required to transfer the investment fund, dividends, or profits due to the reasons listed in the preceding two paragraphs, the Agent shall notify the Principal and the payment shall be made in the way specified by the Principal.
      - vi. Based on the entrusted investment relationship, the rights and obligations of the trustee to Fujian Putian DAFU Plastic Industry Co., Ltd. are transferred to the client, and the trustee does not guarantee its profits and losses
      - vii. The Agent shall exercise due care of a prudent administrator in discretionary investment, capital increase, exchange settlement, and receipt of dividends.
      - viii. The Agent shall send the financial statements of DAFU Plastic Industry Co., Ltd. to the Principal regularly, and the Principal may entrust certified public accountant or other audit personnel to audit the financial statements.
      - ix. Matters not stipulated in this power of attorney shall be handled in accordance with relevant laws and regulations of the Republic of China on domestic and foreign financial practices, etc.
    - b) The Company increased investment in Hong Kong Tai Ho Co., Ltd. by HKD10,075,000 (equivalent to USD1,300,000), which was then to be re-invested in DAFU Plastic Industry Co., Ltd.

**Table 1****Tahsin Industrial Corporation and its subsidiaries****Endorsements/Guarantees Provided for Others****January 1 to December 31, 2025**

Unit: Thousand NTD

Number	Endorser/Guarantor	Counterparty of endorsements/guarantees		Limit on Endorsements/Guarantees Provided for Single Entity	Maximum balance of endorsement/guarantee amount for current period	Endorsement/Guarantee Balance, End of Period	Actual Disbursed Amount	Endorsement/Guarantee Amount Secured by Property	Ratio of Cumulative Endorsement/Guarantee Amount to Net Worth in Latest Financial Statements	Endorsement/Guarantee Ceiling	Endorsements/guarantees provided by the parent company to the subsidiaries	Endorsements/guarantees provided by the subsidiaries to the parent company	Endorsement/Guarantee to Investee in the Mainland Area
		Name	Relationships										
0	Tahsin Industrial Corporation Ltd	Tahsin Shoji Co., Ltd.	Subsidiaries in which the Tahsin Group directly holds more than 50% of the common shares.	\$2,025,287	\$141,986	\$127,033	\$89,460	\$-	1.25%	\$5,063,219	Y	N	N

Note 1. The amounts/guarantees of endorsement by the Company to a single enterprise shall not exceed 20% of the net worth of the Company's latest financial statements (December 31, 2025).

Note 2. The total amount of the Company's external endorsements/guarantees is limited to 50% of the Company's net worth as stated in its latest financial statements (as of December 31, 2025).

**Table 2****Tahsin Industrial Corporation and its subsidiaries****Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)****December 31, 2025**

Unit: NTD Thousand/ Number of shares: Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
Tahsin Industrial Corporation	Stocks/Nan Ya Plastic Corporation	-	Financial assets at fair value through other comprehensive income – current	29,000	\$1,745,800	0.37%	\$1,745,800	
	Stocks/Formosa Taffeta Co., Ltd.	-	Financial assets at fair value through other comprehensive income – current	200	3,180	0.01%	3,180	
	Stocks/Feng Hsin Steel Co., Ltd.	-	Financial assets at fair value through other comprehensive income – current	600	36,780	0.10%	36,780	
	Stocks/Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income – current	3,502	140,080	0.02%	140,080	
	Stocks/Formosa Plastics Corporation	-	Financial assets at fair value through other comprehensive income – current	1,500	58,500	0.02%	58,500	
	Stocks/Sinon Corporation	-	Financial assets at fair value through other comprehensive income – current	3,762	164,588	0.89%	164,588	
	Stocks/YungShin Global Holding Corporation	-	Financial assets at fair value through other comprehensive income – current	1,298	73,986	0.49%	73,986	
	Stocks/Taiwan Cement Corporation	-	Financial assets at fair value through other comprehensive income – current	3,850	89,320	0.05%	89,320	
	Stocks/Asia Cement Corporation	-	Financial assets at fair value through other comprehensive income – current	2,000	74,400	0.06%	74,400	
	Stocks/ Taiwan Paiho Limited	-	Financial assets at fair value through other comprehensive income – current	1,500	75,750	0.50%	75,750	

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**Table 2**

**Tahsin Industrial Corporation and its subsidiaries**

**Securities Held at End of Period**

**December 31, 2025**

Unit: NTD Thousand/ Number of shares: Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
Tahsin Industrial Corporation	Stocks/MAKALOT industrial co., ltd.,		Financial assets at fair value through other comprehensive income – current	276	79,626	0.11%	79,626	
	Stocks/ Te Chang Construction Co., Ltd.		Financial assets at fair value through other comprehensive income – current	1,400	91,700	1.23%	91,700	
	Stocks/ CTBC Financial Holding Co., Ltd.		Financial assets at fair value through other comprehensive income – current	4,000	200,800	0.02%	200,800	
	Beneficiary certificate/ Yuanta/P-shares- Taiwan Top 50 ETF		Financial assets at fair value through other comprehensive income – current	400	26,240	-	\$26,240	
	Stocks / Vetnostrum International Biotech Co., Ltd.		Financial assets at fair value through other comprehensive income – current	100	3,615	0.14%	3,615	
	Stocks / Primax Electronics Ltd.		Financial assets at fair value through other comprehensive income – current	748	57,446	0.16%	57,446	
	Stocks / Quanta Computer Inc.		Financial assets at fair value through other comprehensive income – current	400	108,800	0.01%	108,800	
	Stocks / Hon Hai Precision Industry Co., Ltd.		Financial assets at fair value through other comprehensive income – current	530	122,165	-	122,165	
	Stocks / Jih Sun Vietnam Opportunity Fund (USD) - Class A.		Financial assets at fair value through profit or loss – current	10	2,667	-	2,667	
Beneficiary certificates / PineBridge ESG Quantitative Bond - Class A		Financial assets at fair value through profit or loss – current	1,577	15,474	-	15,474		

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**Table 2**

**Tahsin Industrial Corporation and its subsidiaries  
December 31, 2025**

Unit: NTD Thousand/ Number of shares: Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
	Stocks / Asia Pacific Investment Co., Ltd.		Financial assets at fair value through profit or loss – current	10,000	231,700	2.35%	231,700	
	Stocks / Atunas Co., Ltd.		Financial assets at fair value through other comprehensive income – non-current	225	4,302	0.89%	4,302	
	Corporate bond/TSMC USD Corporate Bond (3)		Financial assets at fair value through other comprehensive income – non-current	-	15,185	-	15,185	
	Corporate bond/3M Company		Financial assets at fair value through other comprehensive income – non-current	-	16,492	-	16,492	
	Corporate bond/ TSMC Arizona Corp.		Financial assets at fair value through other comprehensive income – non-current	-	14,498	-	14,498	
	Corporate bond/ Johnson & Johnson JNJ.US		Financial assets at fair value through other comprehensive income – non-current	-	15,400	-	15,400	
	Corporate bond/ United Parcel Service, Inc.		Financial assets at fair value through other comprehensive income – non-current	-	\$15,787	-	\$15,787	
	Corporate bond/Bank of America		Financial assets at fair value through other comprehensive income – current	-	16,241	-	16,241	
	Corporate bond/Apple Inc.		Financial assets at fair value through other comprehensive income – current	-	14,938	-	14,938	

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**Table 2**

**Tahsin Industrial Corporation and its subsidiaries  
December 31, 2025**

Unit: NTD Thousand/ Number of shares: Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
	Corporate bond/UnitedHealth Group		Financial assets at fair value through other comprehensive income – current	-	13,906	-	13,906	
	Corporate bond/Philip Morris International Inc.		Financial assets at fair value through other comprehensive income – current	-	17,469	-	17,469	
	Corporate bond/UBS Group AG		Financial assets at fair value through other comprehensive income – current	-	17,180	-	17,180	
	Corporate bonds / KSA Sovereign USD Bonds		Financial assets at fair value through profit or loss – current	-	15,411	-	15,411	
	Corporate bonds / Saudi Aramco USD Corporate Bonds		Financial assets at fair value through profit or loss – current	-	15,108	-	15,108	
Tah Fa Investment Co., Ltd	Stock / Chunghwa Telecom Co., Ltd.	—	Financial assets at fair value through profit or loss – current	90	11,745	-	11,745	
	Stock / Quanta Computer Inc.	—	Financial assets at fair value through profit or loss – current	300	81,600	-	81,600	
	Stock / Tah Shin Industrial Corp.	Investor using the equity method	Financial assets at fair value through profit or loss – non-current	3,572	230,398	3.60%	230,398	Note 1
	Stock / Tah Chi Investment Co., Ltd.	Investee accounted for using the equity method	Financial assets at fair value through profit or loss – non-current	2,500	217,112	33.33%	217,112	Note 2

Note 1. A subsidiary holding shares of the parent company has been presented as treasury stock according to the original investment cost.

Note 2. It was approved for dissolution on June 20, 2002 and is currently under liquidation.

**Table 3****Tahsin Industrial Corporation and its subsidiaries****Business Relations and Material Transactions Between Parent Company and Subsidiaries  
January 1 to December 31, 2025**

Unit: Thousand NTD

Number	Transaction Party	Transaction Counterparty	Relationship with Transaction Party	Transaction Status			Ratio to total Revenue or Total Assets
				Ledger Account	Amount	Transaction terms	
0	Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	Parent company to subsidiary	Sales revenue	\$77,099	D/A 120 days	3.38%
0	Tahsin Industrial Corporation	Fujian Putian DAFU Plastic Industry Co., Ltd.	Parent company to subsidiary	Sales revenue	523	T/T 30 days	0.02%
0	Tahsin Industrial Corporation	Tah Chi Enterprise Co., Ltd.	From the parent company to its subsidiary	Sales revenue	6,652	90 days notes	0.29%
0	Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	From the parent company to its subsidiary	Accounts receivable	12,314		0.11%
0	Tahsin Industrial Corporation	Tah Chi Enterprise Co., Ltd.	From the parent company to its sub-subsidiary	Accounts receivable	2,297		0.02%
0	Tahsin Industrial Corporation	TAHSIN INNOVATIVE MACHINERY VINA CO., LTD.	From the parent company to its subsidiary	Other receivables	249		-
0	Tahsin Industrial Corporation	Tah Fa Investment Co., Ltd.	From the parent company to its subsidiary	Other receivables	7,200		0.07%
0	Tahsin Industrial Corporation	TAHHSIN PHU MY JOINT STOCK COMPANY	From the parent company to its sub-subsidiary	Other receivables	419		-
0	Tahsin Industrial Corporation	Fujian Putian DAFU Plastic Industry Co., Ltd.	From the parent company to its subsidiary	Accounts payable	650		0.01%
0	Tahsin Industrial Corporation	Fujian Putian DAFU Plastic Industry Co., Ltd.	From the parent company to its subsidiary	Other payables	693		0.01%
0	Tahsin Industrial Corporation	Myanmar Tah Viet Co., Ltd.	From the parent company to its subsidiary	Other payables	19,302		0.18%
0	Tahsin Industrial Corporation	Myanmar Tah Hsin Industrial Co., Ltd.	From the parent company to its subsidiary	Other payables	14,878		0.14%
0	Tahsin Industrial Corporation	Fujian Putian DAFU Plastic Industry Co., Ltd.	From the parent company to its subsidiary	Purchases	57,722	T/T	2.53%
0	Tahsin Industrial Corporation	Fujian Putian DAFU Plastic Industry Co., Ltd.	From the parent company to its subsidiary	Processing fees	12,719	Half month T/T 15 days	0.56%
0	Tahsin Industrial Corporation	Myanmar Tah Viet Co., Ltd.	From the parent company to its subsidiary	Processing fees	86,192	Half month T/T 15 days	3.78%
0	Tahsin Industrial Corporation	Myanmar Tah Hsin Industrial Co., Ltd.	From the parent company to its subsidiary	Processing fees	98,935	Half month T/T 15 days	4.33%
0	Tahsin Industrial Corporation	TAHSIN INNOVATIVE MACHINERY VINA CO., LTD.	From the parent company to its subsidiary	Processing fees	2,763	Half month T/T 15 days	0.12%
0	Tahsin Industrial Corporation	TAHHSIN PHU MY JOINT STOCK COMPANY	From the parent company to its sub-subsidiary	Processing fees	32,781	Half month T/T 15 days	1.44%
0	Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	From the parent company to its subsidiary	Commission income	150		0.01%
0	Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	From the parent company to its subsidiary	Interest income	1	-	-
0	Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	From the parent company to its subsidiary	Endorsements and guarantees	127,033	-	-

**Table 4****Tahsin Industrial Corporation and its subsidiaries****Related information on Name and Location of Investee, etc.****December 31, 2025**

Unit: NTD Thousand/Number of Shares: Thousand

Name of investors	Company's names and location of investees	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	8-2, 2-Chome, Imagome Higashi-Osakashi, Japan	1. Domestic trading of artificial leather, other synthetic resins and various fiber products 2. Import and export business of handbags, packaging bags, clothing and other supplies and merchandises	\$90,196 ¥400,000	\$90,196 ¥400,000	800	100.00%	\$102,267	(\$2,505)	(\$2,500)	Note 1
	Tahsin Industrial Corporation, USA	111 Howard Blvd, Suite 206, Mt Arlington, N.J. 07856	Sale of Tahsin products, ready-to-wear, raincoats, PVC products, etc.	-	224,546 USD7,310	-	-	-	1,348	1,348	
	Yuk Wing Development, Ltd.	No. 16, Wang Hoi Road, Kowloon Bay, Hong Kong (Room 1503, Telford Building)	Trading	35 HK10	35 HK10	-	100.00%	40	-	-	
	Tah Viet Co., Ltd.	Tân Thuận Đông, Quận 7, Hồ Chí Minh, Vietnam	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	234,052 USD8,003	234,052 USD8,003	-	100.00%	141,103	(5,670)	(5,670)	
	Myanmar Tah Hsin Industrial Co., Ltd.	Plot No.D-1 Mingaladon Industrial Park, Mingaladon	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	472,523 USD14,700	472,523 USD14,700	-	100.00%	205,294	(28,164)	(28,164)	
	Tah Fa Investment Co., Ltd.	West District, Taichung City	Generic investments, property purchase, sales and leases	180,000	180,000	18,000	100.00%	951,192	44,822	28,747	Note 2
	TAHSIN INNOVATIVE MACHINERY VINA CO.,LTD.	Renchao Industrial Zone in Thanh Hoa Province, Vietnam	Office machinery manufacturing and processing of binding machines and laminators, etc.	37,031 USD1,200	37,031 USD1,200	-	100.00%	10,623	(12,640)	(12,640)	

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**Table 4****Tahsin Industrial Corporation and its subsidiaries****Related information on Name and Location of Investee, etc.  
December 31, 2025**

Unit: NTD Thousand/Number of Shares: Thousand

Name of investors	Company's names and location of investees	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tah Fa Investment Co., Ltd.	Tah Cheng Investment Co., Ltd.	West District, Taichung City	Generic investments	21,000	21,000	2,100	41.18%	130,002	14,109	5,810	
	Tah Quan Investment Co., Ltd.	West District, Taichung City	Generic investments	87,000	87,000	8,700	44.39%	285,476	29,908	13,275	
	Tah Chi Enterprise Co., Ltd.	DaanDist., Taipei City, Taiwan	Wholesale and retail of fabric, clothing, shoes, caps, umbrella, clothing products; furniture, bedding, kitchen appliance, installation products; daily necessities; cultural and educational products, musical instruments, sports and recreational products; food, beverages industry	23,000	23,000	2,300	100.00%	5,252	(415)	(415)	
Tah Viet Co., Ltd.	TRUONG GIANG GARMENT JOINT-STOCK COMPANY	No. 239, Huynh Thuc Khang St, An Xuân, Tam Kỳ, Quang Nam Province, Vietnam	Manufacture and processing of ready-to-wear garments for export and domestic sales; sales and marketing of various garment supplies, equipment and raw materials; provision of consultancy services in fashion and textile industry	12,945 USD435	12,945 USD435	37	44.17%	12,660	2,603	1,150	
	TAHHSIN PHU MY JOINT STOCK COMPANY	Phu My Industrial Zone, Tam, Phuoc Soci Phu Ninh District, Quang Nam Province, Vietnam	Manufacturing and processing of ready-to-wear garments for export and domestic sales	32,072 USD1,049	32,072 USD1,049	-	84.83%	20,864	(1,953)	(1,657)	

Note 1. The investment gains and losses recognized during the period include the net (un)realized gains and losses between affiliated companies.

Note 2. The investment gains and losses recognized in the current period include the amount of write-off of cash dividends received by the company of NTD16,074 thousand.

Note 3. The company completed its liquidation on August 15, 2025, and its corporate registration has been cancelled.

**Table 5****Tahsin Industrial Corporation and its subsidiaries****Information on investments in mainland China****January 1 to December 31, 2025**

Unit: Thousand NTD

Investees in the Mainland China	Principal Business Activities	Paid-up capital	Investment method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Received in Current Period		Accumulated Investment Amount Remitted from Taiwan at End of Period	Profit or Loss of Investee for Current Period	Shareholding Percentage of Direct or Indirect Investments by the Company	Recognized Investment Profit or Loss for Current Period	Carrying Amount of Investments at End of Period	Repatriated Investment Profit or Loss as of End of Period
					Remitted	Received						
DAFU Plastic Industry Co., Ltd.	Mainly produce raincoats and other plastic products.	\$291,605	2	\$263,164	\$-	\$-	\$263,164	\$39,987	91.26%	\$36,493	\$298,003	\$-

Accumulated Investment Amount Remitted from Taiwan to the Mainland Area at End of Period	Investment Amount Approved by the Investment Commission, M.O.E.A	Investment quota in mainland China as stipulated by Investment Commission, M.O.E.A. (Note 2)
\$263,164	\$263,164	\$6,095,220

Note 1. The Company entrusted Hong Kong Tai Ho Co., Ltd. to invest USD8,100,000 in the establishment of Fujian Putian DAFU Plastic Industry Co., Ltd. In 2011, the invested amount in Hong Kong Tai Ho Co. Ltd was increased to HKD10,075,000 (USD1,300,000) which was subsequently reinvested into Fujian Putian DAFU Plastic Industry Co., Ltd.

Note 2. Calculate the upper limit of the cumulative amount or proportion of investment in mainland China at 60% of the net value or consolidated net value (whichever is higher) in accordance with the investment review committee of the Ministry of Economic Affairs.

#### **(XIV.) Department Information**

For management purposes, the Group divides its operating units by location region into nine reporting segments:

Tahsin in Taiwan: Manufacturing and trading of various plastic raincoats, nylon raincoats, overalls, wardrobes, nylon jackets, PP corrugated boards, TC ready-to-wear, leather goods, handbags, file folders, plastic films, bags and laminating machines, etc.

Tahsin Shoji Co., Ltd.: Trading of artificial leather, other synthetic resin and various types of fiber products within Japan and export and import.

United States T.H. USA: Sale of garments, rainwear, and PVC products. (The company completed its liquidation on August, 2025, and its corporate registration has been cancelled.)

Fujian Putian DAFU Plastic Industry Co., Ltd.: Manufacture of plastic products, such as rainwear and garments.

Tah Viet Co., Ltd.: Processing of raincoats, ready-to-wear, leather goods, wardrobes, etc.

Myanmar Tahsin: Processing of raincoats, ready-to-wear, leather goods, wardrobes, etc.

TAHSIN INNOVATIVE MACHINERY VINA CO.,LTD.: Office machinery manufacturing and processing of binding machines and laminators, etc.

Tah Fa Investment Co., Ltd.: Generic investments, property purchases, sales and leases, trading in raincoat and garment, and food and beverages.)

The operating departments not been aggregated to form the aforementioned reporting operations.

Revenue from departments below the quantitative threshold is attributable to other segments and is regarded as part of the Hong Kong regional trade segment.

The management shall individually supervise the operation results of its business units to make decisions on resource allocation and performance evaluation. The performance of the department is assessed on the basis of operating profit and loss by department, and measured in a manner consistent with the operating profit or loss of net income in the consolidated financial statements.

Transfer pricing between operating departments is based on a regular transaction similar to that of an external third person.

a. December 31, 2025

	Tahsin Taiwan	Tahsin Shoji Co., Ltd.	United States T.H. USA	Fujian Putian DAFU Plastic Industry Co., Ltd.	Tah Viet Co., Ltd.	Myanmar Tahsin	Tahsin Hsinchi (Vietnam) Co., Ltd.	Tah Fa Investment Co., Ltd.	Other Departments	Adjustment and sales	Total
Revenue											
Revenue from external customers	\$1,825,421	\$247,805	-	\$195,014	\$5,173	-	-	\$9,121	-	-	\$2,282,534
Interdepartmental revenue	84,274	-	-	69,996	116,249	\$93,712	\$2,763	-	-	(\$366,994) <sup>Note 1</sup>	-
Total revenue	\$1,909,695	\$247,805	-	\$265,010	\$121,422	\$93,712	\$2,763	\$9,121	-	(\$366,994)	\$2,282,534
Financial costs											
Financial costs	\$395	\$1,422	\$7	-	-	\$49	\$443	-	-	(1)	\$2,315
Depreciation and amortization											
Depreciation and amortization	\$56,366	\$1,828	\$246	\$7,442	\$8,660	\$17,205	\$3,064	\$1,724	-	-	\$96,535
Net investment income or loss accounted for using equity method											
Net investment income or loss accounted for using equity method	-	-	-	-	\$1,150	-	-	\$19,085	-	-	\$20,235
Department profit or loss											
Department profit or loss	\$130,130	(\$2,505)	\$1,348	\$39,987	(\$5,966)	(\$28,164)	(\$12,639)	\$44,822	-	(\$16,083)	\$150,930
Assets											
Acquisition of long-term investment in shares accounted for using the equity method											
Acquisition of long-term investment in shares accounted for using the equity method	-	-	-	-	\$12,660	-	-	\$415,478	-	-	\$428,138
Capital expenditure on non-current assets											
Capital expenditure on non-current assets	\$182,238	\$175	-	\$31,669	\$9,698	\$562	\$56	\$-	-	-	\$224,398
Department assets											
Department assets	\$8,990,423	\$247,770	-	\$355,839	\$157,614	\$239,495	\$10,623	\$1,110,073	\$2,995	(\$301,850) <sup>Note 2</sup>	\$10,812,982
Liabilities											
Departmental liabilities											
Departmental liabilities	\$489,276	\$143,805	-	\$29,303	\$12,782	\$34,201	-	\$11,483	\$2,955	(\$69,523) <sup>Note 2</sup>	\$654,282

Note 1. Interdepartmental revenues are eliminated during consolidation at the time of merger.

Note 2. Inter-segment claims and liabilities are eliminated at the time of merge

b. December 31, 2024

	Tahsin Taiwan	Tahsin Shoji Co., Ltd.	United States T.H. USA	Fujian Putian DAFU Plastic Industry Co., Ltd.	Tah Viet Co., Ltd.	Myanmar Tahsin	Tah Fa Investment Co., Ltd.	Other Departments	Adjustment and sales	Total
Revenue										
Revenue from external customers	\$1,674,367	\$253,807	\$158	\$201,442	\$2,038	-	-	\$15,248	-	\$2,147,060
Interdepartmental revenue	92,735	-	-	50,421	97,215	\$88,558	\$2,356	-	-Note 1	-
Total revenue	\$1,767,102	\$253,807	\$158	\$251,863	\$99,253	\$88,558	\$2,356	\$15,248	-	\$2,147,060
Financial costs	\$508	\$1,120	\$28	-	-	\$53	\$665	-	-	\$2,374
Depreciation and amortization	\$61,900	\$1,915	\$319	\$3,932	\$7,928	\$18,429	\$4,172	\$1,681	-	\$100,276
Net investment income or loss accounted for using equity method	(\$2,662)	-	-	-	\$1,010	-	-	\$24,176	-	\$22,524
Department profit or loss	\$230,218	\$4,212	(\$14,912)	\$46,837	(\$14,283)	(\$63,871)	(\$10,844)	\$50,095	-	\$208,897
Assets										
Acquisition of long-term investment in shares accounted for using the equity method	-	-	-	-	\$13,299	-	-	\$434,292	-	\$447,591
Capital expenditure on non-current assets	\$187,450	-	-	\$2,235	\$11,315	\$18,315	\$771	\$1,250	-	\$221,336
Department assets	\$8,296,660	\$268,729	\$7,187	\$320,541	\$174,140	\$269,073	\$59,922	\$1,153,795	\$1,590	\$10,238,655
Liabilities										
Departmental liabilities	\$598,299	\$157,482	\$8,148	\$36,486	\$15,868	\$25,316	\$35,557	\$11,938	\$1,548	\$828,306

Note 1. Interdepartmental revenues are eliminated during consolidation at the time of merger.

Note 2. Inter-segment claims and liabilities are eliminated at the time of merge

c. Information for each industry

Industry category	December 31, 2025	December 31, 2024
Revenue from external customers:		
Rain coats department (including processing and waterproof fabrics)	\$1,331,306	\$1,160,421
Garment department	453,359	423,305
New division (including binding machine and furniture)	214,715	262,339
PP department	228,948	239,679
Others	54,206	61,316
Total	\$2,282,534	\$2,147,060

d. Information in each region

Region	December 31, 2025	December 31, 2024
Revenue from external customers:		
Taiwan	\$517,541	\$498,587
America	314,476	297,663
Europe	716,839	663,287
Japan	302,681	305,082
Others	430,997	382,441
Total	\$2,282,534	\$2,147,060

e. Key customer information

Customers whose consolidated net sales revenue of the company and its subsidiaries accounted for more than 10% of the consolidated net sales revenue of the income statement in 2025 and 2024:

Customer name	December 31, 2025		December 31, 2024	
	Sales	%	Sales	%
Customer A	\$468,494	21	\$437,308	20