

**Chia Hsin Cement Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, "Consolidated Financial Statements" In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Chia Hsin Cement Corporation and subsidiaries did not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

CHIA HSIN CEMENT CORPORATION

JASON K. L. CHANG  
Chairman

March 9, 2026

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Chia Hsin Cement Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Chia Hsin Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

### Basis for Opinion

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

### Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

#### Revenue Recognition from Major Customers in the Cement Segment

The Group's operating revenue is primarily derived from the sale of cement. For the year ended December 31, 2025, revenue from the cement segment amounted to NT\$1,132,522 thousand, representing 38% of total consolidated operating revenue. Sales are concentrated among a limited number of major customers, with certain customers accounting for a significant proportion of total revenue and, in some cases, showing a notable increase as compared with the prior year.

The occurrence and accuracy of revenue from these major customers are considered to have a material impact on the financial statements. Accordingly, we have identified the reliability of revenue from major customers in the cement segment as a key audit matter for the year.

Please refer to Notes 4 and 26 for the Group's accounting policies on revenue recognition and related disclosures for details.

Our key audit procedures performed in respect of the above area included the following:

We performed the following key audit procedures in connection with the above major transactions:

1. We understood the design and implementation of internal controls over the sales of cement and tested the effectiveness of the relevant controls over sales transactions; we designed the audit procedures responsive to the risks identified.
2. We obtained the list of sales order from main clients and inspected the supporting documents, such as registration card for sale of cement and bills of lading, and verified the existence of the sales.
3. We analyzed the changes in the revenue, gross margin rate, turnover rate of accounts receivable and credit conditions from prior year to the current year.
4. We verified the occurrence of the sales by obtaining confirmation letters from the main clients; we performed alternative audit procedures for unreplied letters.

#### **Other Matter**

We have also audited the parent company only financial statements of Chia Hsin Cement Corporation as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Chiang Hsun Chen

Sheng - Tai Liang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 9, 2026

Notice to Readers

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

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

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,875,061	6	\$ 2,313,203	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	857,825	3	1,243,154	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	1,799,935	5	2,320,895	7
Financial assets at amortized cost - current (Notes 4 and 9)	4,098,561	13	3,350,412	10
Notes receivable from unrelated parties (Notes 4, 10 and 26)	125,200	-	153,306	-
Trade receivables from unrelated parties (Notes 4, 10 and 26)	134,102	-	140,087	-
Trade receivables from related parties (Notes 4, 10, 26 and 35)	6,474	-	5,408	-
Finance lease receivables - current (Notes 4 and 12)	806	-	124	-
Other receivables from unrelated parties (Notes 4 and 11)	42,784	-	33,665	-
Other receivables from related parties (Notes 4 and 35)	1,398	-	374	-
Current tax assets (Notes 4 and 28)	8,705	-	8,602	-
Inventories (Notes 4 and 13)	205,442	1	154,193	-
Prepayments (Note 20)	121,534	-	125,023	-
Other current assets (Note 20)	30	-	94	-
Total current assets	<u>9,277,857</u>	<u>28</u>	<u>9,848,540</u>	<u>28</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	6,980,500	22	9,129,019	26
Financial assets at amortized cost - non-current (Notes 4, 9 and 36)	11,511	-	16,816	-
Investments accounted for using the equity method (Notes 4 and 15)	4,357,275	13	3,913,729	11
Property, plant and equipment (Notes 4, 5, 16 and 36)	3,579,803	11	3,828,076	11
Right-of-use assets (Notes 4 and 17)	1,790,830	6	1,680,773	5
Investment properties (Notes 4, 18 and 36)	6,185,649	19	6,276,674	18
Intangible assets (Notes 4 and 19)	965	-	1,378	-
Deferred tax assets (Notes 4 and 28)	337,443	1	289,785	1
Finance lease receivables - non-current (Notes 4 and 12)	1,902	-	-	-
Net defined benefit assets - non-current (Notes 4 and 24)	25,703	-	23,770	-
Other non-current assets (Note 20)	67,875	-	69,520	-
Total non-current assets	<u>23,339,456</u>	<u>72</u>	<u>25,229,540</u>	<u>72</u>
<b>TOTAL</b>	<u>\$ 32,617,313</u>	<u>100</u>	<u>\$ 35,078,080</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 21 and 36)	\$ 1,920,040	6	\$ 885,000	3
Short-term bills payable (Note 21)	59,727	-	179,910	-
Contract liabilities (Notes 4 and 26)	28,822	-	46,629	-
Notes payable to unrelated parties (Note 22)	2,601	-	2,864	-
Trade payables to unrelated parties (Note 22)	99,528	-	219,627	1
Trade payables to related parties (Note 35)	77,625	-	110,884	-
Other payables to unrelated parties (Notes 23 and 32)	231,940	1	221,292	1
Other payables to related parties (Note 35)	37	-	321	-
Current tax liabilities (Notes 4 and 28)	21,600	-	13,908	-
Lease liabilities - current (Notes 4 and 17)	150,160	1	151,559	-
Current portion of long-term borrowings (Notes 21 and 36)	947,015	3	1,055,745	3
Other current liabilities (Notes 23 and 35)	47,222	-	37,920	-
Total current liabilities	<u>3,586,317</u>	<u>11</u>	<u>2,925,659</u>	<u>8</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 21 and 36)	6,540,748	20	6,879,673	20
Deferred tax liabilities (Notes 4 and 28)	1,575,768	5	1,603,056	4
Lease liabilities - non-current (Notes 4 and 17)	1,819,684	6	1,692,068	5
Deferred revenue - non-current (Notes 23 and 31)	271,134	1	292,031	1
Other non-current liabilities - other (Notes 23 and 35)	100,610	-	95,836	-
Total non-current liabilities	<u>10,307,944</u>	<u>32</u>	<u>10,562,664</u>	<u>30</u>
Total liabilities	<u>13,894,261</u>	<u>43</u>	<u>13,488,323</u>	<u>38</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>				
Share capital				
Ordinary shares	7,902,474	24	7,902,474	23
Capital surplus	1,457,692	4	1,388,434	4
Retained earnings				
Legal reserve	2,611,783	8	2,579,114	7
Special reserve	2,256,181	7	2,256,181	7
Unappropriated earnings	5,446,378	17	5,355,565	15
Total retained earnings	<u>10,314,342</u>	<u>32</u>	<u>10,190,860</u>	<u>29</u>
Other equity	(459,911)	(2)	2,455,605	7
Treasury shares	(1,079,060)	(3)	(1,055,710)	(3)
Total equity attributable to owners of the Company	18,135,537	55	20,881,663	60
<b>NON-CONTROLLING INTERESTS (Note 25)</b>	<u>587,515</u>	<u>2</u>	<u>708,094</u>	<u>2</u>
Total equity	<u>18,723,052</u>	<u>57</u>	<u>21,589,757</u>	<u>62</u>
<b>TOTAL</b>	<u>\$ 32,617,313</u>	<u>100</u>	<u>\$ 35,078,080</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)	\$ 3,015,357	100	\$ 2,985,357	100
OPERATING COSTS (Notes 13, 27 and 35)	<u>(2,527,950)</u>	<u>(84)</u>	<u>(2,550,390)</u>	<u>(85)</u>
GROSS PROFIT	<u>487,407</u>	<u>16</u>	<u>434,967</u>	<u>15</u>
OPERATING EXPENSES (Notes 10, 27 and 35)				
Selling and marketing expenses	(45,391)	(1)	(43,655)	(2)
General and administrative expenses	(522,607)	(17)	(543,807)	(18)
Expected credit gain	<u>398</u>	<u>-</u>	<u>546</u>	<u>-</u>
Total operating expenses	<u>(567,600)</u>	<u>(18)</u>	<u>(586,916)</u>	<u>(20)</u>
LOSS FROM OPERATIONS	<u>(80,193)</u>	<u>(2)</u>	<u>(151,949)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15, 27 and 35)				
Interest income	162,593	5	177,410	6
Other income	504,149	17	479,492	16
Other gains and losses	(253,396)	(8)	(67,593)	(2)
Finance costs	(233,445)	(8)	(215,764)	(7)
Share of profit or loss of associates and joint ventures	<u>459,668</u>	<u>15</u>	<u>164,188</u>	<u>5</u>
Total non-operating income and expenses	<u>639,569</u>	<u>21</u>	<u>537,733</u>	<u>18</u>
PROFIT BEFORE INCOME TAX	559,376	19	385,784	13
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 28)	<u>7,520</u>	<u>-</u>	<u>(48,373)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>566,896</u>	<u>19</u>	<u>337,411</u>	<u>11</u>
OTHER COMPREHENSIVE LOSS (Notes 4, 24,25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,586	-	7,214	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(2,884,061)	(96)	(956,404)	(32)

(Continued)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	\$ (76,979)	(2)	\$ (27,928)	(1)
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(317)</u>	<u>-</u>	<u>(1,443)</u>	<u>-</u>
	<u>(2,959,771)</u>	<u>(98)</u>	<u>(978,561)</u>	<u>(33)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(125,661)	(4)	167,592	6
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	19,375	-	(347)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>33,887</u>	<u>1</u>	<u>(36,424)</u>	<u>(1)</u>
	<u>(72,399)</u>	<u>(3)</u>	<u>130,821</u>	<u>5</u>
Other comprehensive loss for the year, net of income tax	<u>(3,032,170)</u>	<u>(101)</u>	<u>(847,740)</u>	<u>(28)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (2,465,274)</u>	<u>(82)</u>	<u>\$ (510,329)</u>	<u>(17)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 556,262	19	\$ 319,580	11
Non-controlling interests	<u>10,634</u>	<u>-</u>	<u>17,831</u>	<u>-</u>
	<u>\$ 566,896</u>	<u>19</u>	<u>\$ 337,411</u>	<u>11</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (2,357,398)	(78)	\$ (497,875)	(17)
Non-controlling interests	<u>(107,876)</u>	<u>(4)</u>	<u>(12,454)</u>	<u>-</u>
	<u>\$ (2,465,274)</u>	<u>(82)</u>	<u>\$ (510,329)</u>	<u>(17)</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 0.84</u>		<u>\$ 0.48</u>	
Diluted	<u>\$ 0.84</u>		<u>\$ 0.48</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES**

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

	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Operations	Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2024	\$ 7,902,474	\$ 1,318,181	\$ 2,571,235	\$ 2,257,048	\$ 5,430,295	\$ (670,392)	\$ 3,950,560	\$ (1,077,950)	\$ 21,681,451	\$ 737,107	\$ 22,418,558	
Appropriation of 2023 earnings (Note 25)												
Legal reserve	-	-	7,879	-	(7,879)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(394,406)	-	-	-	(394,406)	-	(394,406)	
Reverse of special reserve	-	-	-	(867)	867	-	-	-	-	-	-	
Changes in equity of associates accounted for using the equity method (Note 25)	-	149	-	-	-	-	-	-	149	-	149	
Unclaimed dividends extinguished by prescription (Note 25)	-	5,482	-	-	-	-	-	-	5,482	(91)	5,391	
Net profit for the year ended December 31, 2024	-	-	-	-	319,580	-	-	-	319,580	17,831	337,411	
Other comprehensive income (loss) for the year ended December 31, 2024 (Note 25)	-	-	-	-	7,108	120,193	(944,756)	-	(817,455)	(30,285)	(847,740)	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	326,688	120,193	(944,756)	-	(497,875)	(12,454)	(510,329)	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	56,631	-	-	-	-	-	-	56,631	-	56,631	
Changes in percentage of ownership interests in subsidiaries (Note 25)	-	7,066	-	-	-	-	-	-	7,066	(7,066)	-	
Share-based payment (Notes 25 and 30)	-	1,275	-	-	-	-	-	-	1,275	45	1,320	
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(9,447)	(9,447)	
Reissuance of treasury shares (Notes 25 and 30)	-	(350)	-	-	-	-	-	22,240	21,890	-	21,890	
BALANCE, DECEMBER 31, 2024	7,902,474	1,388,434	2,579,114	2,256,181	5,355,565	(550,199)	3,005,804	(1,055,710)	20,881,663	708,094	21,589,757	
Appropriation of 2024 earnings (Note 25)												
Legal reserve	-	-	32,669	-	(32,669)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(434,636)	-	-	-	(434,636)	-	(434,636)	
Changes in equity of associates accounted for using the equity method (Note 25)	-	(191)	-	-	-	-	-	-	(191)	-	(191)	
Unclaimed dividends extinguished by prescription (Note 25)	-	7,030	-	-	-	-	-	-	7,030	145	7,175	
Net profit for the year ended December 31, 2025	-	-	-	-	556,262	-	-	-	556,262	10,634	566,896	
Other comprehensive income (loss) for the year ended December 31, 2025 (Note 25)	-	-	-	-	1,856	(65,760)	(2,849,756)	-	(2,913,660)	(118,510)	(3,032,170)	
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	558,118	(65,760)	(2,849,756)	-	(2,357,398)	(107,876)	(2,465,274)	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	62,419	-	-	-	-	-	-	62,419	-	62,419	
Buy-back of treasury shares (Note 25)	-	-	-	-	-	-	-	(23,350)	(23,350)	-	(23,350)	
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(12,848)	(12,848)	
BALANCE, DECEMBER 31, 2025	\$ 7,902,474	\$ 1,457,692	\$ 2,611,783	\$ 2,256,181	\$ 5,446,378	\$ (615,959)	\$ 156,048	\$ (1,079,060)	\$ 18,135,537	\$ 587,515	\$ 18,723,052	

The accompanying notes are an integral part of the consolidated financial statements.

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 559,376	\$ 385,784
Adjustments for:		
Depreciation expenses	462,226	445,864
Amortization expenses	732	2,399
Expected credit loss reversed	(398)	(546)
Net loss on fair value changes of financial assets at fair value through profit or loss	156,308	50,438
Finance costs	233,445	215,764
Interest income	(162,593)	(177,410)
Dividend income	(429,541)	(411,511)
Compensation costs arising from share-based payment	-	1,320
Share of profit of associates and joint ventures	(459,668)	(164,188)
Loss on disposal of property, plant and equipment	492	5,338
Loss on disposal of investment properties	-	9,721
Gain on disposal of right-of-use assets	(13,112)	(112)
Impairment loss recognized on non-financial assets	45,205	40,177
Net loss (gain) on foreign currency exchange	45,117	(34,102)
Income from the subleasing of right-of-use assets	(3)	(455)
Loss on prepayments for equipment	-	2,131
Realized gain on deferred revenue	(8,553)	(8,701)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	223,591	129,349
Notes receivable from unrelated parties	28,413	46,947
Trade receivables from unrelated parties	3,746	16,780
Trade receivables from related parties	(1,066)	3,491
Other receivables from unrelated parties	1,051	3,820
Other receivables from related parties	(1,024)	(159)
Inventories	6,381	(56,928)
Prepayments	2,365	(4,585)
Other current assets	62	137
Contract liabilities	(17,419)	4,818
Notes payable to unrelated parties	(263)	(473)
Trade payables to unrelated parties	(119,705)	123,686
Trade payables to related parties	(33,259)	(71)
Other payables to unrelated parties	(4,601)	30,418
Other payables to related parties	(284)	321
Advance receipts	2,107	(353)
Other current liabilities	1,476	501
Net defined benefit liabilities	(347)	(407)
Cash generated from operations	520,257	659,203

(Continued)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2025	2024
Interest paid	\$ (212,689)	\$ (193,930)
Income tax paid	<u>(26,418)</u>	<u>(54,645)</u>
Net cash generated from operating activities	<u>281,150</u>	<u>410,628</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(214,582)	(30,000)
Proceeds from refund of capital reduction of financial assets at fair value through other comprehensive income	-	1,543
Purchase of financial assets at amortized cost (Note 9)	(908,591)	(190,410)
Proceeds from sale of financial assets at amortized cost (Note 9)	57,697	943,978
Acquisition of associates accounted for using the equity method	(47,796)	(56,424)
Payments for property, plant and equipment	(167,714)	(23,996)
Proceeds from disposal of property, plant and equipment	2,989	1,990
Decrease in refundable deposits	281	11,380
Payments for intangible assets	(343)	-
Payments for investment properties	(4,093)	(101,847)
Proceeds from investment properties	-	11,023
Decrease in finance lease receivables	567	2,960
Increase in other non-current assets	(14,546)	(414)
Increase in prepayments for equipment	(5,278)	(27,635)
Interest received	151,692	189,931
Dividends received	<u>480,892</u>	<u>476,969</u>
Net cash (used in) generated from investing activities	<u>(668,825)</u>	<u>1,209,048</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (repayments of) short-term borrowings	1,035,425	(467,470)
Repayments of short-term bills payable	(120,000)	(565,000)
Proceeds from long-term borrowings	866,062	1,580,000
Repayments of long-term borrowings	(1,227,595)	(1,518,020)
Proceeds from (refund of) guarantee deposits received	10,804	(5,771)
Repayments of the principal portion of lease liabilities	(155,670)	(111,109)
Dividend paid to owners of the Company	(372,217)	(337,775)
Payments for buy-back of treasury shares	(23,350)	-
Proceeds from reissuance of treasury shares	-	21,890
Dividends paid to non-controlling interests	(14,232)	(9,267)
Return of unclaimed dividends extinguished by prescription	<u>7,175</u>	<u>5,391</u>
Net cash generated from (used in) financing activities	<u>6,402</u>	<u>(1,407,131)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>(56,869)</u>	<u>46,319</u>

(Continued)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

---

	2025	2024
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (438,142)	\$ 258,864
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,313,203</u>	<u>2,054,339</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,875,061</u>	<u>\$ 2,313,203</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

---

### 1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in the Republic of China (ROC) with capital of \$24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2025, the Company has authorized capital of \$15,000,000 thousand and paid-in capital of \$7,902,474 thousand. The Group’s business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, hotel management and energy technology services.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1969.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 5, 2026.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

#### Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

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

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

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- 1) The amendments to the application guidance of classification of financial assets

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

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

- 2) The amendments to the application guidance of derecognition of financial liabilities

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

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

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

#### IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

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

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

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

Except for the above impact of IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments on financial statements presentation, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period, and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 14, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main business).

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates and joint ventures in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

f. Inventories

Inventories consist of raw materials, supplies, finished goods, land for construction, and construction in progress-Real Estate.

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

Costs of building construction are recorded separately for each construction project. Payments made for land prior to the acquisition of land use rights are recognized as “prepayment for land purchase”; as “land for construction” after the acquisition of the land use rights; as “construction in progress” when the construction on the land started; and as “land and building held for sale” upon the completion of construction. Prepayments collected from preselling of land and building are recognized as “advance receipts”.

The Group provides its own land to developers under joint construction and sale arrangements. The land is reclassified to construction in progress at its original cost plus any revaluation surplus. Upon completion of construction and when performance obligations are satisfied, revenue is recognized in accordance with the contractual allocation ratio, with the related costs recognized concurrently. Unsold units are reclassified to land and buildings held for sale.

g. Investments in associates

An associate is an entity over which the Group has significant influence and is neither a subsidiary.

The Group uses the equity method to account for its investments in associates.

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

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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Investment properties

Investment properties are properties held to earn rental or for capital appreciation. Investment properties include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right-of-use asset, investment properties, and intangible assets

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

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

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables (less tax refund receivables), other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), other receivables, and finance lease receivables.

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of cement; sales of cement are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to customers.

2) Revenue from the rendering of services

The revenue from rendering of services is recognized over time with reference to the progress of the fulfillment of contracts or recognized on the date the service is provided.

3) Revenue from rent

Rental income is derived from the lease of property, plant and equipment. The Group recognizes such revenue in accordance with the lease contract accrual basis.

4) Revenue from catering and hospitality services

The Group recognizes revenue from catering services once the merchandise is sold to the client. The consideration is collected from the client upon the occurrence of the purchase transaction.

The Group recognizes revenue from hospitality services once the service is rendered to the client. The contractual consideration is collected in accordance with the agreed time schedule.

## n. Leases

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

### 1) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases. For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

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

### 2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprise the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

o. Borrowing costs

Borrowing costs directly attributable to an 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 expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

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

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

s. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

### 3) Current and deferred taxes for the year

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

### 4) The linked-tax system

The Company files joint income tax returns with Chia Hsin Property Management & Development Corporation. The differences between the tax expense and deferred tax liabilities and assets of the Company as a separate entity and of the Company and its qualified subsidiaries as a joint entity are adjusted on the Company; the related amounts are recognized as current tax assets or current tax liabilities.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

When developing material accounting estimates, the Group considers the possible impact of volatility in financial markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## Key Sources of Estimation Uncertainty

### Impairment of property, plant and equipment, investment property, and right-of-use asset

Impairment of equipment property, plant and equipment, investment property, and right-of-use asset is including evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 5,186	\$ 4,749
Checking accounts and demand deposits	400,956	1,211,530
Cash equivalents		
Commercial paper	273,689	197,488
Time deposits with original maturities of 3 months or less	<u>1,195,230</u>	<u>899,436</u>
	<u>\$ 1,875,061</u>	<u>\$ 2,313,203</u>

The market rate intervals of commercial papers and cash in the bank at the end of the year were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Commercial papers	1.30%-1.40%	1.20%-1.40%
Cash in the bank	0.01%-3.93%	0.001%-4.35%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current</u>		
Domestic listed shares	\$ 544,360	\$ 743,802
Overseas listed shares	32,458	156,742
Domestic mutual funds	30,000	-
Overseas mutual funds	<u>251,007</u>	<u>342,610</u>
	<u>\$ 857,825</u>	<u>\$ 1,243,154</u>

As of December 31, 2025, the Group held 363,604,623 shares of Taiwan Cement Corporation accounted for as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at carrying amount of \$544,357 thousand and \$7,891,269 thousand, respectively. Information for other price risk and sensitivity analysis is provided in Note 34.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Investments in equity instruments - current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ <u>1,799,935</u>	\$ <u>2,320,895</u>
<u>Investments in equity instruments - non-current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 6,456,613	\$ 8,576,214
Unlisted shares	<u>523,887</u>	<u>552,805</u>
	<u>\$ 6,980,500</u>	<u>\$ 9,129,019</u>

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

During 2025, the Company purchased ordinary shares of Taiwan Cement Corporation and preferred B shares of Smart Ageing Tech Co., Ltd. for \$199,582 thousand and \$15,000 thousand, respectively. In addition, during 2024, the Company purchased ordinary shares of BIONET Therapeutics Corp. for \$30,000 thousand. These investments are held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ <u>4,098,561</u>	\$ <u>3,350,412</u>
<u>Non-current</u>		
Restricted deposits	\$ <u>11,511</u>	\$ <u>16,816</u>
<u>Interest rate range</u>		
Time deposits with original maturities of more than 3 months	0.15%-4.25%	0.08%-5.26%
Restricted deposits	1.29%-1.70%	0.72%-1.70%

- a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the initial recognition to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2025 and 2024, the Group assessed the expected credit loss rate as 0%.
- b. Refer to Note 36 for the carrying amounts of financial assets pledged by the Group to secure obligations.

## 10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 126,458	\$ 154,855
Less: Allowance for impairment loss	<u>(1,258)</u>	<u>(1,549)</u>
	<u>\$ 125,200</u>	<u>\$ 153,306</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 134,769	\$ 140,875
Less: Allowance for impairment loss	<u>(667)</u>	<u>(788)</u>
	<u>\$ 134,102</u>	<u>\$ 140,087</u>

### Notes Receivable

The average number of days of cashing the notes is 30 to 90 days. In order to mitigate credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt. In addition, the Group reviews the recoverable amount of each individual notes receivable at the end of the year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes receivable are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, and economic conditions.

### Trade Receivables

The average credit period of the sales of goods was 30 to 90 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Group considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

Before accepting new customers, the Group assesses that the credit quality of the potential customer complied with the administration regulations of customer credit and set up the credits limit for each customer. The credit rating of customers would then be assessed by the supervisors and given an ultimate credit limit.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtors, the debtors' current financial position, economic conditions of the industry in which the debtors operate, as well as an assessment of both the current and the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over one year past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. When recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables (including receivables from related parties) based on the Group's provision matrix:

December 31, 2025

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0.72%	0%	-	100%	
Gross carrying amount	\$ 267,688	\$ 13	\$ -	\$ -	\$ 267,701
Loss allowance (Lifetime ECLs)	<u>(1,925)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,925)</u>
Amortized cost	<u>\$ 265,763</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,776</u>

December 31, 2024

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0.78%	-	-	100%	
Gross carrying amount	\$ 301,138	\$ -	\$ -	\$ -	\$ 301,138
Loss allowance (Lifetime ECLs)	<u>(2,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,337)</u>
Amortized cost	<u>\$ 298,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,801</u>

The movements of the loss allowance of receivables (including receivables from related parties) were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 2,337	\$ 10,134
Add: Net remeasurement of loss allowance	18	68
Less: Amounts written off	-	(7,463)
Less: Net remeasurement of loss allowance reversed	(416)	(614)
Foreign exchange gains and losses	<u>(14)</u>	<u>212</u>
Balance at December 31	<u>\$ 1,925</u>	<u>\$ 2,337</u>

## 11. OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest receivable	\$ 34,588	\$ 24,184
Others	<u>8,196</u>	<u>9,481</u>
	<u>\$ 42,784</u>	<u>\$ 33,665</u>

The movements of the loss allowance of other receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ -	\$ 792
Less: Amounts written off	-	(816)
Foreign exchange gains and losses	<u>-</u>	<u>24</u>
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

The following table details the loss allowance of other receivables based on the Group's provision matrix.

### December 31, 2025

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	\$ 42,784	\$ -	\$ -	\$ -	\$ 42,784
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 42,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,784</u>

December 31, 2024

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	\$ 33,665	\$ -	\$ -	\$ -	\$ 33,665
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 33,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,665</u>

Other receivables were mainly interest receivable. The Group only transacts with counterparties who have good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the ECLs.

## 12. FINANCE LEASE RECEIVABLES

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
<u>Undiscounted lease payments</u>		
Year 1	\$ 1,009	\$ 124
Year 2	1,319	-
Year 3	<u>716</u>	<u>-</u>
	3,044	124
Less: Unearned finance income	<u>(336)</u>	<u>-</u>
Lease payments receivable	<u>2,708</u>	<u>124</u>
Net investment in leases presented as finance lease receivables	<u>\$ 2,708</u>	<u>\$ 124</u>
<u>Lease payments receivable</u>		
Not more than 1 year	\$ 806	\$ 124
More than 1 year but not more than 5 years	<u>1,902</u>	<u>-</u>
	<u>\$ 2,708</u>	<u>\$ 124</u>

The Group has been subleasing its building to Gping Wellness Co., Ltd. since August 2015. As the Group subleases the retail stores for all the remaining lease term of the main lease to the sublease, the sublease contract is classified as a finance lease. The sublease contract expired on January 15, 2025.

The Group leased out leasehold improvements and other equipment in July 2025. As the leasehold improvements and other equipment were leased out for their entire remaining useful life, the lease has been classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2025 and 2024, the interest rate inherent in the finance leases were 8.38% and 2.25% per annum, respectively.

To reduce the residual asset risk related to the leased building at the end of the relevant lease, the lease contract includes general risk management strategy.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2025 and 2024, no finance lease receivable were past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

### 13. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Finished goods	\$ 142,957	\$ 149,634
Raw materials	174	329
Supplies	<u>1,261</u>	<u>1,064</u>
	<u>144,392</u>	<u>151,027</u>
Land held for construction	3,166	3,166
Construction in progress-Real Estate	<u>57,884</u>	<u>-</u>
	<u>\$ 205,442</u>	<u>\$ 154,193</u>

The nature of the cost of goods sold is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of inventories sold	\$ 1,131,457	\$ 1,192,604
Inventory (reversal gain) write-downs	<u>(231)</u>	<u>404</u>
	<u>\$ 1,131,226</u>	<u>\$ 1,193,008</u>

### 14. SUBSIDIARIES

#### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	<u>Proportion of Ownership (%)</u>		Remark
			<u>December 31</u>	<u>2025</u>	
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	-
Chia Hsin Cement Corporation	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Pacific Limited	Holding company	74.16	74.16	Exchange rate risk
Chia Hsin Cement Corporation	BlueSky Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2025	2024	
Chia Hsin Cement Corporation	YJ International Corporation (Note 1)	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
Chia Hsin Cement Corporation	Jaho Life Plus+ Management Corp., Ltd. (Note 2)	Management consulting service	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Green Energy Corporation (Note 3)	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	100.00	100.00	-
YJ International Corporation	CHC Ryukyu Development GK (Note 4)	Real estate rental and leasing; management consulting service	59.17	59.17	Exchange rate risk
YJ International Corporation	CHC Ryukyu COLLECTIVE KK (Note 5)	Hotel management	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Chia Hsin Pacific Limited	Holding company	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction & Material Storage Co., Ltd. (Note 6)	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corporation	Wholesale and retail business of machinery; warehousing; residence and office buildings leasing and selling	100.00	100.00	-
Chia Hsin Property Management & Development Corporation	Chuang Neng Technology Co., Ltd. (Note 7)	Energy technology service	-	100.00	-
Chia Hsin Pacific Limited	CHC Ryukyu Development GK (Note 8)	Real estate rental and leasing; management consulting service	40.83	40.83	Exchange rate risk
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd. (Note 9)	Investment and holding company	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Effervesce Investment Pte. Ltd.	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	68.00	68.00	Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Pacific Limited	Sparksview Pte. Ltd. (Note 10)	Investment and holding company	100.00	100.00	Exchange rate risk
Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	32.00	32.00	Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 11)	Consulting for management of healthcare and hospitality business	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (Note 12)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations

(Concluded)

Note 1: The Company increased its investment by \$657,000 thousand on August 21, 2024.

Note 2: The Company increased its investment by \$50,000 thousand on January 16, 2024.

Note 3: The Company increased its investment by \$100,000 thousand on February 15, 2024.

Note 4: On October 23, 2024, Chia Hsin Pacific Limited increased its capital investment in CHC Ryukyu Development GK by JPY1,500,000 thousand. As YJ International Corporation did not proportionally increase its investment, its ownership in CHC Ryukyu Development GK decreased from 100% to 59.17%.

- Note 5: On August 26, 2024, YJ International Corporation increased its investment in CHC Ryukyu COLLECTIVE KK by JPY3,000,000 thousand.
- Note 6: Jiangsu Jianguo Construction & Material Storage Co., Ltd. resolved to reduce its capital and refund US\$3,500 thousand in share capital pursuant to the Board of Directors' resolution on November 4, 2024.
- Note 7: On October 15, 2024, Chuang Neng Technology Co., Ltd. was dissolved under a Board Consent Resolution issued by the Chairman. The liquidation of Chuang Neng Technology Co., Ltd. was completed on February 3, 2025.
- Note 8: On October 23, 2024, Chia Hsin Pacific Limited increased its investment in CHC Ryukyu Development GK. by JPY1,500,000 thousand.
- Note 9: The shareholders of Effervesce Investment Pte. Ltd. approved the reduction of its capital by SGD18,075 thousand which was remitted to its investor on October 28, 2024.
- Note 10: The shareholders of Sparksvie Pte. Ltd. approved the reduction of its capital by SGD3,263 thousand which was remitted to its investor on October 28, 2024.
- Note 11: On November 12, 2025, March 25, 2025 and November 11, 2024, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB3,000 thousand, RMB2,000 thousand and RMB2,000 thousand, respectively.
- Note 12: On November 12, 2025, March 25, 2025 and November 11, 2024, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. by RMB3,000 thousand, RMB2,000 thousand and RMB1,000 thousand, respectively.

Any transaction, account balance, revenue and expense between the consolidated entities are eliminated and not shown on the consolidated financial statements.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2025	2024
Tong Yang Chia Hsin International Corporation	12.82%	12.82%

Refer to Note 40, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2025	2024	2025	2024
	Tong Yang Chia Hsin International Corporation	\$ 10,271	\$ 18,539	\$ 691,239

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 1,269,169	\$ 1,659,744
Non-current assets	4,866,781	4,822,896
Current liabilities	(83,563)	(27,137)
Non-current liabilities	<u>(662,335)</u>	<u>(136,322)</u>
Equity	<u>\$ 5,390,052</u>	<u>\$ 6,319,181</u>
Equity attributable to:		
Owners of the Group	\$ 4,698,813	\$ 5,508,833
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>691,239</u>	<u>810,348</u>
	<u>\$ 5,390,052</u>	<u>\$ 6,319,181</u>
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating revenue	<u>\$ 148,197</u>	<u>\$ 126,100</u>
Net profit for the year	\$ 80,115	\$ 144,614
Other comprehensive loss	<u>(1,306,367)</u>	<u>(525,880)</u>
Total comprehensive loss for the year	<u>\$ (1,226,252)</u>	<u>\$ (381,266)</u>
Profit attributable to:		
Owners of the Group	\$ 69,844	\$ 126,075
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>10,271</u>	<u>18,539</u>
	<u>\$ 80,115</u>	<u>\$ 144,614</u>
Total comprehensive loss attributable to:		
Owners of the Group	\$ (1,069,047)	\$ (332,388)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>(157,205)</u>	<u>(48,878)</u>
	<u>\$ (1,226,252)</u>	<u>\$ (381,266)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 26,135	\$ 38,032
Investing activities	141,225	160,893
Financing activities	<u>(133,041)</u>	<u>(202,801)</u>
Net cash inflow (outflow)	<u>\$ 34,319</u>	<u>\$ (3,876)</u>

## 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### a. Investments in associates

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Material associates		
LDC ROME HOTELS S.R.L.	\$ 608,530	\$ 493,840
Chia Hsin Construction & Development Corp.	1,893,081	1,795,544
L'Hotel De Chine Corporation	1,585,012	1,364,848
Associates that are not individually material	<u>270,652</u>	<u>259,497</u>
	<u>\$ 4,357,275</u>	<u>\$ 3,913,729</u>

### 1) Material associates

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	46.18%	46.18%
L'Hotel De Chine Corporation	23.10%	23.10%

Refer to Note 40, Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

#### LDC ROME HOTELS S.R.L.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 596,211	\$ 278,935
Non-current assets	1,854,547	1,982,585
Current liabilities	(255,295)	(312,208)
Non-current liabilities	<u>(674,137)</u>	<u>(714,712)</u>
Equity	<u>\$ 1,521,326</u>	<u>\$ 1,234,600</u>
Proportion of the Group’s ownership	40.00%	40.00%
Equity attributable to the Group	<u>\$ 608,530</u>	<u>\$ 493,840</u>
Carrying amount	<u>\$ 608,530</u>	<u>\$ 493,840</u>

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating revenue	<u>\$ 824,678</u>	<u>\$ 818,592</u>
Net profit for the year	<u>\$ 56,152</u>	<u>\$ 47,630</u>
Total comprehensive income for the year	<u>\$ 56,152</u>	<u>\$ 47,630</u>

For the years ended December 31, 2025 and 2024, the Group increased its investment in LDC ROME HOTELS S.R.L. by EUR1,400 thousand and EUR1,600 thousand (equivalent to \$47,796 thousand and \$56,424 thousand), respectively.

Chia Hsin Construction & Development Corp.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 2,312,066	\$ 1,933,692
Non-current assets	2,306,418	2,460,081
Current liabilities	(166,404)	(361,739)
Non-current liabilities	<u>(374,712)</u>	<u>(170,876)</u>
Equity	<u>\$ 4,077,368</u>	<u>\$ 3,861,158</u>
Proportion of the Group's ownership	46.18%	46.18%
Equity attributable to the Group	\$ 1,882,935	\$ 1,783,088
Premium representing the difference between fair value and carrying amount of remaining equity investments	<u>10,146</u>	<u>12,456</u>
Carrying amount	<u>\$ 1,893,081</u>	<u>\$ 1,795,544</u>

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating revenue	<u>\$ 1,021,164</u>	<u>\$ 108,121</u>
Net profit for the year	\$ 455,528	\$ 116,776
Other comprehensive loss	<u>(158,516)</u>	<u>(70,152)</u>
Total comprehensive income for the year	<u>\$ 297,012</u>	<u>\$ 46,624</u>
Dividends received from Chia Hsin Construction & Development Corp.	<u>\$ 37,751</u>	<u>\$ 31,459</u>

L'Hotel De Chine Corporation

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 519,664	\$ 1,362,161
Non-current assets	8,573,373	6,899,928
Current liabilities	(1,685,278)	(1,594,582)
Non-current liabilities	<u>(546,183)</u>	<u>(759,029)</u>
Equity	<u>\$ 6,861,576</u>	<u>\$ 5,908,478</u>
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	<u>\$ 1,585,012</u>	<u>\$ 1,364,848</u>
Carrying amount	<u>\$ 1,585,012</u>	<u>\$ 1,364,848</u>
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating revenue	<u>\$ 788,691</u>	<u>\$ 1,107,285</u>
Net profit for the year	\$ 861,434	\$ 265,847
Other comprehensive income (loss)	<u>92,253</u>	<u>(10,863)</u>
Total comprehensive income for the year	<u>\$ 953,687</u>	<u>\$ 254,984</u>
Dividends received from L'Hotel De Chine Corporation	<u>\$ 13,600</u>	<u>\$ 33,999</u>

2) Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
The Group's share of:		
Income from continuing operations	\$ 17,075	\$ 16,777
Other comprehensive (loss) income	<u>(5,921)</u>	<u>5,181</u>
Total comprehensive income for the year	<u>\$ 11,154</u>	<u>\$ 21,958</u>

- b. The investment in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2025 and 2024 were based on the associates' financial statements which have been audited for the same years.

**16. PROPERTY, PLANT AND EQUIPMENT**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Assets used by the Group	\$ 3,523,159	\$ 3,767,596
Assets leased under operating leases	<u>56,644</u>	<u>60,480</u>
	<u>\$ 3,579,803</u>	<u>\$ 3,828,076</u>

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<b>Cost</b>								
Balance on January 1, 2024	\$ 825,760	\$ 2,883,452	\$ 770,094	\$ 17,141	\$ 2,996,267	\$ 570,986	\$ -	\$ 8,063,700
Additions	-	3,411	3,271	798	1,270	8,657	-	17,407
Disposals	-	-	-	(3,671)	(182,221)	(4,780)	-	(190,672)
Reclassified from prepayments	-	-	-	-	-	4,713	-	4,713
Effect of foreign currency exchange differences	(27,597)	(97,039)	(2,067)	220	7,359	(8,894)	-	(128,018)
Balance on December 31, 2024	<u>\$ 798,163</u>	<u>\$ 2,789,824</u>	<u>\$ 771,298</u>	<u>\$ 14,488</u>	<u>\$ 2,822,675</u>	<u>\$ 570,682</u>	<u>\$ -</u>	<u>\$ 7,767,130</u>
<b>Revaluation</b>								
Balance on January 1, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ 230
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
<b>Accumulated depreciation</b>								
Balance on January 1, 2024	\$ -	\$ 459,863	\$ 587,908	\$ 12,989	\$ 2,106,986	\$ 437,100	\$ -	\$ 3,604,846
Depreciation expenses	-	111,049	29,182	649	102,420	62,232	-	305,532
Disposals	-	-	-	(3,541)	(159,688)	(4,695)	-	(167,924)
Effect of foreign currency exchange differences	-	(16,851)	119	80	1,381	(7,071)	-	(22,342)
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 554,061</u>	<u>\$ 617,209</u>	<u>\$ 10,177</u>	<u>\$ 2,051,099</u>	<u>\$ 487,566</u>	<u>\$ -</u>	<u>\$ 3,720,112</u>
<b>Accumulated impairment</b>								
Balance on January 1, 2024	\$ -	\$ -	\$ 55,926	\$ -	\$ 213,210	\$ -	\$ -	\$ 269,136
Impairment losses	-	-	-	-	24,147	-	-	24,147
Disposals	-	-	-	-	(15,420)	-	-	(15,420)
Effect of foreign currency exchange differences	-	-	466	-	1,323	-	-	1,789
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,392</u>	<u>\$ -</u>	<u>\$ 223,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,652</u>
Carrying amount at December 31, 2024	<u>\$ 798,163</u>	<u>\$ 2,235,763</u>	<u>\$ 97,697</u>	<u>\$ 4,311</u>	<u>\$ 548,316</u>	<u>\$ 83,346</u>	<u>\$ -</u>	<u>\$ 3,767,596</u>
<b>Cost</b>								
Balance on January 1, 2025	\$ 798,163	\$ 2,789,824	\$ 771,298	\$ 14,488	\$ 2,822,675	\$ 570,682	\$ -	\$ 7,767,130
Additions	-	1,445	58,323	1,050	129	105,191	20,277	186,415
Disposals	-	-	(8,921)	(714)	(130,018)	(7,315)	-	(146,968)
Reclassified from prepayments	-	-	19,217	-	-	1,534	-	20,751
Reclassified from property under construction	-	19,571	-	-	-	684	(20,255)	-
Reclassified as finance lease	-	-	-	-	(7,165)	(3,017)	-	(10,182)
Effect of foreign currency exchange differences	(34,401)	(121,871)	(7,688)	(126)	(3,346)	(12,640)	-	(180,072)
Balance on December 31, 2025	<u>\$ 763,762</u>	<u>\$ 2,688,969</u>	<u>\$ 832,229</u>	<u>\$ 14,698</u>	<u>\$ 2,682,275</u>	<u>\$ 655,119</u>	<u>\$ 22</u>	<u>\$ 7,637,074</u>
<b>Revaluation</b>								
Balance on January 1, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ 230
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
<b>Accumulated depreciation</b>								
Balance on January 1, 2025	\$ -	\$ 554,061	\$ 617,209	\$ 10,177	\$ 2,051,099	\$ 487,566	\$ -	\$ 3,720,112
Depreciation expenses	-	109,676	35,365	1,101	102,302	37,362	-	285,806
Disposals	-	-	(8,787)	(643)	(127,344)	(6,713)	-	(143,487)
Reclassified as finance lease	-	-	-	-	(4,374)	(2,656)	-	(7,030)
Effect of foreign currency exchange differences	-	(28,227)	(5,049)	(55)	(730)	(11,642)	-	(45,703)
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 635,510</u>	<u>\$ 638,738</u>	<u>\$ 10,580</u>	<u>\$ 2,020,953</u>	<u>\$ 503,917</u>	<u>\$ 22</u>	<u>\$ 3,809,698</u>
<b>Accumulated impairment</b>								
Balance on January 1, 2025	\$ -	\$ -	\$ 56,392	\$ -	\$ 223,260	\$ -	\$ -	\$ 279,652
Impairment losses	-	-	-	-	24,145	1,093	-	25,238
Effect of foreign currency exchange differences	-	-	(184)	-	(259)	-	-	(443)
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,208</u>	<u>\$ -</u>	<u>\$ 247,146</u>	<u>\$ 1,093</u>	<u>\$ -</u>	<u>\$ 304,447</u>
Carrying amount on December 31, 2025	<u>\$ 763,762</u>	<u>\$ 2,053,459</u>	<u>\$ 137,283</u>	<u>\$ 4,118</u>	<u>\$ 414,176</u>	<u>\$ 150,339</u>	<u>\$ 22</u>	<u>\$ 3,523,159</u>

Due to intense competition in the healthcare industry, a declining fertility rate and the difficulty of business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized \$24,145 thousand of impairment losses on leasehold improvements and \$1,093 thousand of impairment losses on other equipment in 2025; and \$24,147 thousand of impairment losses on leasehold improvements in 2024.

Due to the cessation of operations of the Zhongshan Branch of subsidiary Jaho Life Plus+ Management Corp., Ltd.'s postpartum care center on June 30, 2024, the accumulated impairment reversal and disposal of the Zhongshan Branch amounted to \$15,420 thousand in 2024.

The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rates used in measuring the value in use were 5.9061% and 6.5599% per annum, respectively.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Office building	20 years
Storage and plant	20 years
Others	6-47 years
Machinery and equipment	2-20 years
Transportation equipment	2-8 years
Leasehold improvement	
Office building	4-40 years
Storage and plant	7-24 years
Others	3-16 years
Other equipment	2-20 years

b. Assets leased under operating leases

	<b>Machinery and Equipment</b>	<b>Leasehold Improvement</b>	<b>Other Equipment</b>	<b>Total</b>
<u>Cost</u>				
Balance on January 1, 2024	\$ 233,826	\$ 82,234	\$ 2,468	\$ 318,528
Effect of foreign currency exchange differences	<u>12,169</u>	<u>4,280</u>	<u>128</u>	<u>16,577</u>
Balance on December 31, 2024	<u>\$ 245,995</u>	<u>\$ 86,514</u>	<u>\$ 2,596</u>	<u>\$ 335,105</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2024	\$ 204,510	\$ 44,042	\$ 2,150	\$ 250,702
Depreciation expenses	1,146	1,482	25	2,653
Effect of foreign currency exchange differences	<u>10,667</u>	<u>2,323</u>	<u>112</u>	<u>13,102</u>
Balance on December 31, 2024	<u>\$ 216,323</u>	<u>\$ 47,847</u>	<u>\$ 2,287</u>	<u>\$ 266,457</u>
<u>Accumulated impairment</u>				
Balance on January 1, 2024	\$ -	\$ 7,764	\$ -	\$ 7,764
Effect of foreign currency exchange differences	<u>-</u>	<u>404</u>	<u>-</u>	<u>404</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 8,168</u>	<u>\$ -</u>	<u>\$ 8,168</u>
Carrying amount on December 31, 2024	<u>\$ 29,672</u>	<u>\$ 30,499</u>	<u>\$ 309</u>	<u>\$ 60,480</u>

(Continued)

	<b>Machinery and Equipment</b>	<b>Leasehold Improvement</b>	<b>Other Equipment</b>	<b>Total</b>
<u>Cost</u>				
Balance on January 1, 2025	\$ 245,995	\$ 86,514	\$ 2,596	\$ 335,105
Effect of foreign currency exchange differences	<u>(4,815)</u>	<u>(1,693)</u>	<u>(51)</u>	<u>(6,559)</u>
Balance on December 31, 2025	<u>\$ 241,180</u>	<u>\$ 84,821</u>	<u>\$ 2,545</u>	<u>\$ 328,546</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2025	\$ 216,323	\$ 47,847	\$ 2,287	\$ 266,457
Depreciation expenses	1,120	1,448	20	2,588
Effect of foreign currency exchange differences	<u>(4,207)</u>	<u>(900)</u>	<u>(44)</u>	<u>(5,151)</u>
Balance on December 31, 2025	<u>\$ 213,236</u>	<u>\$ 48,395</u>	<u>\$ 2,263</u>	<u>\$ 263,894</u>
<u>Accumulated impairment</u>				
Balance on January 1, 2025	\$ -	\$ 8,168	\$ -	\$ 8,168
Effect of foreign currency exchange differences	<u>-</u>	<u>(160)</u>	<u>-</u>	<u>(160)</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 8,008</u>	<u>\$ -</u>	<u>\$ 8,008</u>
Carrying amount on December 31, 2025	<u>\$ 27,944</u>	<u>\$ 28,418</u>	<u>\$ 282</u>	<u>\$ 56,644</u> (Concluded)

Operating leases relate to lease of machinery and equipment, leasehold improvement, and other equipment in the Port of Longwu, Shanghai, with lease terms from 2024 to 2028. The operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Year 1	\$ 30,850	\$ 31,574
Year 2	30,946	31,672
Year 3	31,046	31,775
Year 4	<u>-</u>	<u>31,883</u>
	<u>\$ 92,842</u>	<u>\$ 126,904</u>

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment	10-15 years
Leasehold improvement	
Office building	40 years
Storage and plant	37-40 years
Others	40 years
Other equipment	2-5 years

c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

## 17. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amount</u>		
Land	\$ 459,974	\$ 481,515
Land improvement	757,392	805,103
Building	566,127	386,482
Machinery and equipment	3,576	-
Transportation equipment	3,256	7,013
Miscellaneous equipment	<u>505</u>	<u>660</u>
	<u>\$ 1,790,830</u>	<u>\$ 1,680,773</u>
	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 550,033</u>	<u>\$ 389,121</u>
Depreciation charge for right-of-use assets		
Land	\$ 25,857	\$ 25,885
Land improvement	42,640	37,906
Building	91,863	63,354
Machinery and equipment	1,789	-
Transportation equipment	2,928	2,285
Miscellaneous equipment	<u>131</u>	<u>-</u>
	<u>\$ 165,208</u>	<u>\$ 129,430</u>
Income from the subleasing of right-of-use assets (recognized under other gains and losses)	<u>\$ 3</u>	<u>\$ 455</u>

1) Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the years ended December 31, 2025 and 2024.

- 2) The Group terminated part of the lease contracts in advance, resulting in a decrease of \$238,573 thousand and \$2,431 thousand in right-of-use assets, and recognized \$13,112 thousand and \$112 thousand of gain on disposal of right-of-use assets under other gains and losses in 2025 and 2024, respectively.
- 3) Due to intense competition in the healthcare industry, a declining fertility rate and the difficulties in business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being lower than the carrying amount. Therefore, the Group recognized \$20,198 thousand and \$16,030 thousand of impairment losses on buildings under right-of-use assets in 2025 and 2024, respectively. The Group determined the recoverable amounts of the relevant assets based on their value in use. The discount rates used in measuring the value in use were 5.9061% and 6.5599% in 2025 and 2024 per annum, respectively.

b. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amount</u>		
Current	<u>\$ 150,160</u>	<u>\$ 151,559</u>
Non-current	<u>\$ 1,819,684</u>	<u>\$ 1,692,068</u>

Ranges of discount rates for lease liabilities were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Land	1.58%-5.46%	1.58%-5.46%
Land improvement	1.58%-2.76%	1.58%-2.76%
Building	1.45%-4.99%	1.45%-4.99%
Machinery and equipment	2.60%	-
Transportation equipment	2.15%-3.85%	2.15%-3.85%
Miscellaneous equipment	3.85%	3.85%

c. Material lease activities and terms as lessee

1) Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Group entered into three lease contracts in October 2000, December 2009 and December 2014, respectively, to lease the West Wharf No. 33 of the Port of Keelung in Port of Keelung (“Port of Keelung”) from Port of Keelung Taiwan International Ports Corporation Ltd., the first bulk and general cargo center in Port of Taipei (“Port of Taipei”) from Port of Keelung Taiwan International Ports Corporation Ltd., and to lease the wharf and equipment attached in the Port of Taichung from Port of Taichung Taiwan International Ports Corporation Ltd. (“Port of Taichung”).

The lease for Port of Keelung commenced on October 7, 2000, with a total duration of 23 years and 9 months, expiring on July 6, 2024. The Group executed a new lease agreement on February 25, 2025, effective from July 7, 2024 to July 6, 2034. In order to integrate the Group's resources and enhance professional specialization, the Company assigned the warehouse management operations to its subsidiary, Tong Yang Chia Hsin International Corporation. With the consent of Port of Keelung Taiwan International Ports Corporation Ltd., the three parties entered into a "Transfer Agreement of Rights and Obligations under the Lease and Operation Contract for the Rear Area Land and Cement Storage Facilities of West Wharf No. 33 of the Port of Keelung" (the "Agreement"). Under the Agreement, Tong Yang Chia Hsin International Corporation acts as the lessee, while the Company serves as the joint guarantor and agrees to be jointly and severally liable with Tong Yang Chia Hsin International Corporation for all obligations and liabilities arising from the assignment of the original contract. All rights and obligations under the original contract have been transferred to Tong Yang Chia Hsin International Corporation. The Agreement is valid from the date of signing until July 6, 2034. The rentals for lands are calculated on the basis of the regional average rent and the annual rental ratio of the market price of each square meter announced by the government. The leases are adjusted in line with the regional rent and ratio of the market price announced publicly.

The lease term for the Port of Taipei lasts for 35 years and 5 months commencing on December 10, 2009. The land rentals are calculated on the basis of the assessed land value and the annual rental ratio of the market price per square meter announced by the government. The leases are adjusted in line with the regional rent levels and market price ratios announced publicly. The rentals for buildings are adjusted in accordance with the annual Construction Cost Index published by the Directorate General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, ROC.

The lease term for the Port of Taichung lasts from December 1, 2014 to December 31, 2024, and the Group and the Port of Taichung have reached an agreement to renew the lease for a period of 10 years, from January 1, 2025, to December 31, 2034. The lease agreement was finalized on January 2, 2025. The land rentals in the Port are calculated based on the land value of the area and the annual rental rate approved by the government, and will be adjusted accordingly upon any changes announced by the government.

According to the abovementioned contracts, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent. At the end of the contract terms, the Group has the right to apply for extension, and a new contract can be signed at both parties' consent.

#### Joint operating agreement

In order to operate a bulk cement business in China, the Group entered into a joint operating agreement with Shanghai International Port (Group) Co, Ltd ("Longwu Harbor"). According to the agreement, Longwu Harbor should lease the land use right of its pier to the Group. The lease term lasts for 40 years, commencing on the date the joint venture company, established by the two parties, obtains its business license. Beginning on the sixth year of the lease term, the rent should be adjusted annually based on the increasing rate of the average annual cement price listed on the Shanghai Construction Engineering Cost Information System. But if the cement price decreased, no rental adjustment should be made. At the end of the contract term, the contract can be extended and registered with relevant government agencies according to the agreement between both parties.

2) Healthcare business

In order to develop its healthcare business, the Group entered into leasing contracts of buildings for operation purposes in both Taiwan and China. The lease terms range from 10 to 15 years. At the end of the lease term, the Group has the right to apply for extension and bargain renewal options. However, the Group has no bargain purchase options and is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent.

d. Other lease information

The Group's leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 16 and 18, respectively; finance leases of assets are set out in Note 12.

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	<u>\$ 8,436</u>	<u>\$ 16,429</u>
Expenses relating to low-value asset leases	<u>\$ 542</u>	<u>\$ 1,242</u>
Total cash outflow for leases	<u>\$ (224,567)</u>	<u>\$ (152,043)</u>

The Group's leases of certain office equipment, transportation equipment and buildings qualify as short-term and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

**18. INVESTMENT PROPERTIES**

	<b>Land</b>	<b>Building</b>	<b>Investment Property under Construction</b>	<b>Total</b>
<u>Cost</u>				
Balance on January 1, 2024	\$ 2,128,715	\$ 293,953	\$ 326,503	\$ 2,749,171
Additions	-	-	102,639	102,639
Disposals	(421)	-	(18,910)	(19,331)
Reclassification	-	45,145	(44,996)	149
Effect of foreign currency exchange differences	<u>(10,854)</u>	<u>3,287</u>	<u>(10,706)</u>	<u>(18,273)</u>
Balance on December 31, 2024	<u>\$ 2,117,440</u>	<u>\$ 342,385</u>	<u>\$ 354,530</u>	<u>\$ 2,814,355</u>
<u>Revaluation</u>				
Balance on January 1, 2024	\$ 3,691,636	\$ 149,725	\$ -	\$ 3,841,361
Disposals	<u>(1,413)</u>	<u>-</u>	<u>-</u>	<u>(1,413)</u>
Balance on December 31, 2024	<u>\$ 3,690,223</u>	<u>\$ 149,725</u>	<u>\$ -</u>	<u>\$ 3,839,948</u>

(Continued)

	<b>Land</b>	<b>Building</b>	<b>Investment Property under Construction</b>	<b>Total</b>
<u>Accumulated depreciation</u>				
Balance on January 1, 2024	\$ -	\$ 355,581	\$ -	\$ 355,581
Depreciation expenses	-	8,249	-	8,249
Effect of foreign currency exchange differences	<u>-</u>	<u>1,626</u>	<u>-</u>	<u>1,626</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 365,456</u>	<u>\$ -</u>	<u>\$ 365,456</u>
<u>Accumulated impairment</u>				
Balance on January 1, 2024	\$ -	\$ 11,571	\$ -	\$ 11,571
Effect of foreign currency exchange differences	<u>-</u>	<u>602</u>	<u>-</u>	<u>602</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 12,173</u>	<u>\$ -</u>	<u>\$ 12,173</u>
Carrying amount on December 31, 2024	<u>\$ 5,807,663</u>	<u>\$ 114,481</u>	<u>\$ 354,530</u>	<u>\$ 6,276,674</u>
<u>Cost</u>				
Balance on January 1, 2025	\$ 2,117,440	\$ 342,385	\$ 354,530	\$ 2,814,355
Additions	-	143	4,261	4,404
Transfers to inventories	(12,372)	-	-	(12,372)
Effect of foreign currency exchange differences	<u>(13,531)</u>	<u>(1,301)</u>	<u>(14,952)</u>	<u>(29,784)</u>
Balance on December 31, 2025	<u>\$ 2,091,537</u>	<u>\$ 341,227</u>	<u>\$ 343,839</u>	<u>\$ 2,776,603</u>
<u>Revaluation</u>				
Balance on January 1, 2025	\$ 3,690,223	\$ 149,725	\$ -	\$ 3,839,948
Transfers to inventories	<u>(45,512)</u>	<u>-</u>	<u>-</u>	<u>(45,512)</u>
Balance on December 31, 2025	<u>\$ 3,644,711</u>	<u>\$ 149,725</u>	<u>\$ -</u>	<u>\$ 3,794,436</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2025	\$ -	\$ 365,456	\$ -	\$ 365,456
Depreciation expenses	-	8,624	-	8,624
Effect of foreign currency exchange differences	<u>-</u>	<u>(625)</u>	<u>-</u>	<u>(625)</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 373,455</u>	<u>\$ -</u>	<u>\$ 373,455</u>

(Continued)

	<b>Land</b>	<b>Building</b>	<b>Investment Property under Construction</b>	<b>Total</b>
<u>Accumulated impairment</u>				
Balance on January 1, 2025	\$ -	\$ 12,173	\$ -	\$ 12,173
Effect of foreign currency exchange differences	<u>-</u>	<u>(238)</u>	<u>-</u>	<u>(238)</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 11,935</u>	<u>\$ -</u>	<u>\$ 11,935</u>
Carrying amount on December 31, 2025	<u>\$ 5,736,248</u>	<u>\$ 105,562</u>	<u>\$ 343,839</u>	<u>\$ 6,185,649</u> (Concluded)

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives from 5 to 60 years.

In 2024, the Group evaluated a construction project for investment properties. Considering cost-effectiveness and project feasibility, the previously incurred construction costs of \$18,910 thousand were reclassified under other gains and losses.

The Group holds land located in Shui-Hsien Section, Tamsui District, New Taipei City. Due to the execution of a joint construction and presale agreement and the receipt of a construction permit issued by the competent authority on June 20, 2025, the related land and building rights have been placed under trust management. Accordingly, the Group reclassified such assets from investment properties to inventories. As of December 31, 2025, the project is still under development.

The investment properties are not evaluated by an independent valuer but valued by the Group's management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
The fair values of investment properties	\$ 13,738,203	\$ 13,450,725
Discount rate	5.9061%	6.5599%

The Group's investment properties under construction is located on the seaside, Toyosaki Japan. Because the location is still in the development stage, the comparable market transactions occur infrequently and no substitute estimated fair value can be obtained. As a result, the Group cannot reliably determine the fair value of investment property under construction.

All of the Group's investment properties are freehold properties. The investment properties pledged as collateral for bank borrowings are set out in Note 36.

## 19. INTANGIBLE ASSETS

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Cost</u>		
Balance at January 1	\$ 13,070	\$ 13,462
Additions	343	-
Effect of foreign currency exchange differences	<u>(502)</u>	<u>(392)</u>
Balance at December 31	<u>\$ 12,911</u>	<u>\$ 13,070</u>
<u>Accumulated amortization</u>		
Balance at January 1	\$ 11,692	\$ 9,617
Amortization expenses	732	2,399
Effect of foreign currency exchange differences	<u>(478)</u>	<u>(324)</u>
Balance at December 31	<u>\$ 11,946</u>	<u>\$ 11,692</u>
Carrying amount at December 31	<u>\$ 965</u>	<u>\$ 1,378</u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 5 years

	<u>For the Year Ended December 31</u>	
	2025	2024
An analysis of amortization by function		
General and administrative expenses	<u>\$ 732</u>	<u>\$ 2,399</u>

## 20. OTHER ASSETS

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Prepayments		
Prepaid guarantee for freight	\$ 72,563	\$ 73,068
Overpaid sales tax	30,751	31,117
Office supplies	8,229	11,064
Prepayment for purchase	438	594
Prepaid rents	435	591
Others	<u>9,118</u>	<u>8,589</u>
	<u>\$ 121,534</u>	<u>\$ 125,023</u>
Other current assets		
Refundable deposits	\$ 15	\$ 15
Others	<u>15</u>	<u>79</u>
	<u>\$ 30</u>	<u>\$ 94</u>

(Continued)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Other non-current assets		
Refundable deposits	\$ 35,333	\$ 35,776
Prepayments for equipment	17,319	32,792
Prepaid taxes	14,624	-
Others	<u>599</u>	<u>952</u>
	<u>\$ 67,875</u>	<u>\$ 69,520</u>

(Concluded)

## 21. BORROWINGS

### a. Short-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Secured borrowings	\$ 370,000	\$ -
Unsecured borrowings	<u>1,550,040</u>	<u>885,000</u>
	<u>\$ 1,920,040</u>	<u>\$ 885,000</u>

1) The ranges of interest rates on bank loans were 1.90%-2.04% and 1.90%-2.06% per annum as of December 31, 2025 and 2024, respectively.

2) Refer to Note 36 for information on collaterals for the abovementioned borrowings.

### b. Short-term bills payable

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Commercial paper	\$ 60,000	\$ 180,000
Less: Unamortized discounts on bills payable	<u>(273)</u>	<u>(90)</u>
	<u>\$ 59,727</u>	<u>\$ 179,910</u>

Outstanding short-term bills payable were as follows:

#### December 31, 2025

<u>Promissory Institution</u>	<u>Nominal Amount</u>	<u>Discount Amount</u>	<u>Carrying Amount</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
<u>Commercial paper</u>					
International Bills	<u>\$ 60,000</u>	<u>\$ (273)</u>	<u>\$ 59,727</u>	2.000%	None

December 31, 2024

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Amount</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
<u>Commercial paper</u>					
Mega Bills	<u>\$ 180,000</u>	<u>\$ (90)</u>	<u>\$ 179,910</u>	2.018%	None

c. Long-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Secured borrowings</u>		
Bank loans (1)	\$ 5,220,172	\$ 5,562,027
Loans from governments (2)	1,486,918	1,642,206
<u>Unsecured borrowings</u>		
Bank loans (3)	<u>780,673</u>	<u>731,185</u>
	7,487,763	7,935,418
Less: Current portion	<u>(947,015)</u>	<u>(1,055,745)</u>
Long-term borrowings	<u>\$ 6,540,748</u>	<u>\$ 6,879,673</u>

- 1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreements. As of December 31, 2025 and 2024, the annual interest rates are 1.80%-2.12% and 1.61%-2.12%, respectively. The loan is repayable in 2 to 7 years, and the final maturity date of the loan is September 8, 2030.
- 2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. As of December 31, 2025 and 2024, the annual interest rates are all 0.2%-0.7%. The final maturity date of the loan is June 25, 2042.
- 3) The Group signed medium-term unsecured loan contracts with Taishin Bank, Bank SinoPac, and China Trust Commercial Bank. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdown on a revolving basis. As of December 31, 2025 and 2024, the annual interest rates of 1.80%-2.07% and 1.61%-2.03%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is December 19, 2030.
- 4) Refer to Note 36 for information on collaterals for the abovementioned borrowings.

## 22. NOTES PAYABLE AND TRADE PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Notes payable</u>		
Operating	\$ <u>2,601</u>	\$ <u>2,864</u>
<u>Trade payables</u>		
Operating	\$ <u>99,528</u>	\$ <u>219,627</u>

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

## 23. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 99,560	\$ 101,014
Payables for machinery and equipment and construction in progress (Note 32)	18,770	70
Payables for VAT	31,484	28,169
Payables for interests	6,583	4,792
Payables for dividends (Note 32)	-	1,384
Payables for professional fees	13,305	13,760
Payables for rent	41	10,794
Payables for insurance	6,140	6,011
Others	<u>56,057</u>	<u>55,298</u>
	<u>\$ 231,940</u>	<u>\$ 221,292</u>
Other liabilities		
Refundable deposits (Note 35)	\$ 35,892	\$ 30,045
Advanced receipts	4,954	2,813
Receipts under custody	<u>6,376</u>	<u>5,062</u>
	<u>\$ 47,222</u>	<u>\$ 37,920</u>
<u>Non-current</u>		
Deferred revenue		
Government grants (Note 31)	<u>\$ 271,134</u>	<u>\$ 292,031</u>
Other liabilities		
Refundable deposits (Note 35)	<u>\$ 100,610</u>	<u>\$ 95,836</u>

## 24. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of the People's Republic of China, which is a defined contribution plan.

The employees of the Group's subsidiaries in Japan are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

For the years ended on December 31, 2025 and 2024, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$13,795 thousand and \$13,918 thousand, respectively.

### b. Defined benefit plans

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

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of defined benefit obligation	\$ (86,133)	\$ (81,897)
Fair value of plan assets	<u>111,836</u>	<u>105,667</u>
Surplus	<u>25,703</u>	<u>23,770</u>
Net defined benefit assets	<u>\$ 25,703</u>	<u>\$ 23,770</u>

Movements in net defined benefit assets were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
Balance on January 1, 2024	\$ (85,371)	\$ 101,520	\$ 16,149
Service cost			
Current service cost	(788)	-	(788)
Net interest (expense) income	<u>(1,011)</u>	<u>1,265</u>	<u>254</u>
Recognized in profit or loss	<u>(1,799)</u>	<u>1,265</u>	<u>(534)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	9,540	9,540
Actuarial loss			
Changes in financial assumptions	(992)	-	(992)
Experience adjustments	<u>(1,334)</u>	<u>-</u>	<u>(1,334)</u>
Recognized in other comprehensive income	<u>(2,326)</u>	<u>9,540</u>	<u>7,214</u>
Benefits paid	7,599	(7,599)	-
Contributions from the employer	<u>-</u>	<u>941</u>	<u>941</u>
Balance on December 31, 2024	(81,897)	105,667	23,770
Service cost			
Current service cost	(826)	-	(826)
Net interest (expense) income	<u>(1,229)</u>	<u>1,591</u>	<u>362</u>
Recognized in profit or loss	<u>(2,055)</u>	<u>1,591</u>	<u>(464)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	7,589	7,589
Actuarial loss			
Changes in financial assumptions	(1,470)	-	(1,470)
Experience adjustments	<u>(4,533)</u>	<u>-</u>	<u>(4,533)</u>
Recognized in other comprehensive income	<u>(6,003)</u>	<u>7,589</u>	<u>1,586</u>
Benefits paid	3,822	(3,822)	-
Contributions from the employer	<u>-</u>	<u>811</u>	<u>811</u>
Balance on December 31, 2025	<u>\$ (86,133)</u>	<u>\$ 111,836</u>	<u>\$ 25,703</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate	1.25%-1.375%	1.50%
Expected rate of salary increase	2.00%-2.50%	2.00%-2.50%

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate		
0.25% increase	<u>\$ (1,610)</u>	<u>\$ (1,620)</u>
0.25% decrease	<u>\$ 1,654</u>	<u>\$ 1,666</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 1,604</u>	<u>\$ 1,621</u>
0.25% decrease	<u>\$ (1,570)</u>	<u>\$ (1,584)</u>

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Expected contributions to the plans for the next year	<u>\$ 824</u>	<u>\$ 864</u>
Average duration of the defined benefit obligation	7.58-9.95 years	8.09-10.51 years

## 25. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>
Amount of shares authorized	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>790,247</u>	<u>790,247</u>
Amount of shares issued and fully paid	<u>\$ 7,902,474</u>	<u>\$ 7,902,474</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>May only be used to offset a deficit (1)</u>		
Treasury share transaction	\$ 367,772	\$ 367,772
Unclaimed dividends extinguished by prescription	24,733	18,686
Unclaimed dividends extinguished by prescription of subsidiaries	4,260	3,277
Changes in equity of associates accounted for using the equity method	72,585	72,776
Changes in ownership interests in subsidiaries	7,066	7,066
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)</u>		
Treasury share transaction		
Dividends paid to subsidiaries	935,340	872,921
Disposal of treasury shares	24,479	24,479
Share-based payment	16,123	16,123
Share-based payment of subsidiaries	5,327	5,327
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>7</u>
	<u>\$ 1,457,692</u>	<u>\$ 1,388,434</u>

- 1) Such capital surplus may only be used to offset a deficit.
- 2) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's paid-in capital each year).

For 2025 and 2024, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of \$62,419 thousand and \$56,631 thousand, respectively.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company makes the financial statement to obtain after-tax surplus earnings in a fiscal year, it shall make up its accumulated losses, set aside a sum as legal reserve, set aside or reverse a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 27(g).

The remaining dividend policy is taken by the Company. In consideration of the future business expansion and capital needs, an appropriate amount of earnings can be retained. If there are undistributed earnings remained after the appropriation, distribution of earnings can be made.

For the distribution of shareholders' dividends, cash dividends shall be more than 10% of total dividends distributed in the current year, the remainders will be in stock dividends.

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings. The sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2024 and 2023 approved in the shareholders' regular meetings on May 16, 2025 and May 24, 2024, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	\$ 32,669	\$ 7,879
Cash dividends	434,636	394,406
Cash dividends per share (NT\$)	0.55	0.50

The appropriation of earnings for 2025 is expected to be proposed by the board of directors in April 2026 and will be resolved by the shareholders in their meeting to be held on May 22, 2026.

The earnings of the Company and the subsidiaries are appropriated under the Articles of each company and are not restricted by contract.

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

The special reserves recognized as of December 31, 2025 and 2024 were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Appropriation in respect of the articles of incorporation of the Company	\$ 295,756	\$ 295,756
First application of Rule issued by the FSC		
Revaluation of investment properties (Note)	1,791,635	1,791,635
Exchange differences on translation of the financial statements of foreign operations	<u>168,790</u>	<u>168,790</u>
	<u>\$ 2,256,181</u>	<u>\$ 2,256,181</u>

Note: For 2024, the Group completed subsequent disposal transactions and recognized a reversal of \$867 thousand, on revaluation of investment properties due to the initial application of the IFRS Accounting Standards.

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ (550,199)	\$ (670,392)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(117,820)	155,054
Share from associates accounted for using the equity method	19,375	(347)
Related income tax	<u>32,685</u>	<u>(34,514)</u>
Other comprehensive (loss) income recognized for the year	<u>(65,760)</u>	<u>120,193</u>
Balance on December 31	<u>\$ (615,959)</u>	<u>\$ (550,199)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 3,005,804	\$ 3,950,560
Recognized for the year		
Unrealized loss on financial assets at FVTOCI	(2,773,038)	(915,298)
Unrealized loss on financial assets at FVTOCI held by associates accounted for using the equity method	<u>(76,718)</u>	<u>(29,458)</u>
Other comprehensive loss recognized for the year	<u>(2,849,756)</u>	<u>(944,756)</u>
Balance on December 31	<u>\$ 156,048</u>	<u>\$ 3,005,804</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 708,094	\$ 737,107
Share in profit for the year	10,634	17,831
Other comprehensive loss during the year		
Exchange differences on translation of the financial statements of foreign entities	(7,841)	12,538
Related income tax	1,202	(1,910)
Unrealized loss on financial assets at FVTOCI	(111,023)	(41,106)
Unrealized loss on financial assets at FVTOCI held by associates accounted for using the equity method	(964)	(48)
Remeasurement on defined benefit plans	145	302
Income tax relating to defined benefit plans	(29)	(61)
Adjustments due to changed in ownership interests in subsidiaries	-	(7,066)
Adjustments of capital surplus due to dividend paid to subsidiaries	-	45

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	\$ 145	\$ (91)
Cash dividends	<u>(12,848)</u>	<u>(9,447)</u>
Balance on December 31	<u>\$ 587,515</u>	<u>\$ 708,094</u> (Concluded)

g. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares on January 1, 2024	1,435	129,918	131,353
Increase during the year	-	-	-
Decrease during the year	<u>(1,435)</u>	<u>-</u>	<u>(1,435)</u>
Number of shares on December 31, 2024	<u>-</u>	<u>129,918</u>	<u>129,918</u>
Number of shares on January 1, 2025	-	129,918	129,918
Increase during the year	1,574	-	1,574
Decrease during the year	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares on December 31, 2025	<u>1,574</u>	<u>129,918</u>	<u>131,492</u>

Of the year 2024, the Company transferred all 1,435 thousand treasury shares repurchased during the first buyback in 2020 at the price of \$15.3 per share to employees of the Company and its subsidiaries. The Group recognized the compensation cost of \$1,320 thousand on the grant date and recognized the capital surplus - treasury share transactions of \$(350) thousand on the share settlement date. Refer to Note 30 for information on share-based payment arrangement.

On April 10, 2025, the Board of Directors resolved to repurchase 3,500 thousand treasury shares, mainly for transfer to employees, with the repurchase period from April 11, 2025 to June 10, 2025. As of June 10, 2025, 1,574 thousand shares had been repurchased for a total amount of \$23,350 thousand.

Prior to the amendment of the Company Act at the end of 2001, subsidiaries purchased shares of the Company on the open market in line with government policy and in order to maintain the stability of the share price on the open market. The relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Based on the Shareholding Ratio	
		Carrying Amount	Market Price
<u>December 31, 2025</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	129,918	<u>\$ 1,055,710</u>	<u>\$ 1,580,009</u>
<u>December 31, 2024</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	129,918	<u>\$ 1,055,710</u>	<u>\$ 1,925,459</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to receive dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

## 26. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 1,133,140	\$ 1,221,421
Revenue from the rent	311,893	303,450
Revenue from rendering of services	790,158	738,837
Revenue from catering and hospitality	<u>780,166</u>	<u>721,649</u>
	<u>\$ 3,015,357</u>	<u>\$ 2,985,357</u>

### a. Contract information

#### Revenue from the sale of goods

The main operating revenue of the Group is from the sales of cement and other goods. All goods are sold at their respective fixed price as agreed in the contracts.

#### Revenue from the rent

The rental income comes from the lease of property, plant and equipment. The Group recognizes the revenue according to the contract on accrual basis.

### Revenue from rendering of services

The Group operates the cement silo and other storage and transport facilities in the wharves to provide warehousing and storage services. The fee is calculated based on the actual amount of goods delivered and the agreed price in the signed contracts.

### Revenue from catering and hospitality services

The Group recognizes the revenue from catering services once the merchandise is sold to the client. The consideration is collected from the client upon occurrence of the purchase transaction.

The Group recognizes the revenue from hospitality services once the service is rendered to the client. The contractual consideration is collected according to the agreed time schedule.

#### b. Contract balances

	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>January 1, 2024</b>
Notes receivable and trade receivables from unrelated parties (Note 10)	<u>\$ 259,302</u>	<u>\$ 293,393</u>	<u>\$ 357,960</u>
Trade receivables from related parties (Note 35)	<u>\$ 6,474</u>	<u>\$ 5,408</u>	<u>\$ 8,899</u>
Contract liabilities - current	<u>\$ 28,822</u>	<u>\$ 46,629</u>	<u>\$ 41,608</u>

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period and from the performance obligations satisfied for the years ended December 31, 2025 and 2024 was \$42,493 thousand and \$39,475 thousand, respectively.

#### c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 41.

## **27. NET PROFIT**

Net profit from continuing operations was attributable to:

#### a. Interest income

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Bank deposits	<u>\$ 162,593</u>	<u>\$ 177,410</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income	\$ 33,853	\$ 34,597
Dividends	429,541	411,511
Government grants (Note 31)	8,553	8,701
Remuneration of directors (Note 35)	20,681	13,828
Others	<u>11,521</u>	<u>10,855</u>
	<u>\$ 504,149</u>	<u>\$ 479,492</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Loss on disposal of property, plant and equipment	\$ (492)	\$ (5,338)
Loss on disposal of investment properties	-	(9,721)
Net foreign exchange (losses) gains (Note 27-h)	(63,332)	40,563
Loss on fair value changes of financial assets at FVTPL	(156,308)	(50,438)
Impairment loss on property, plant and equipment (Note 16)	(25,238)	(24,147)
Impairment loss on right-of-use assets (Note 17)	(20,198)	(16,030)
Gain on disposal of right-of-use assets (Note 17)	13,112	112
Income from the subleasing of right-of-use assets (Note 17)	3	455
Others	<u>(943)</u>	<u>(3,049)</u>
	<u>\$ (253,396)</u>	<u>\$ (67,593)</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest on bank loans	\$ 184,435	\$ 182,527
Interest on lease liabilities	49,322	34,057
Less: Capitalized interest amount	<u>(312)</u>	<u>(820)</u>
	<u>\$ 233,445</u>	<u>\$ 215,764</u>

Information about capitalized interest is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Capitalized interest amount	\$ 312	\$ 820
Capitalization rate	1.68%-2.16%	1.80%-2.16%

e. Depreciation and amortization

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Property, plant and equipment	\$ 288,394	\$ 308,185
Investment properties	8,624	8,249
Right-of-use assets	165,208	129,430
Other intangible assets	<u>732</u>	<u>2,399</u>
	<b><u>\$ 462,958</u></b>	<b><u>\$ 448,263</u></b>
 An analysis of depreciation by function		
Operating costs	\$ 410,734	\$ 387,439
Operating expenses	<u>51,492</u>	<u>58,425</u>
	<b><u>\$ 462,226</u></b>	<b><u>\$ 445,864</u></b>
 An analysis of amortization by function		
Operating expenses	<u>\$ 732</u>	<u>\$ 2,399</u>

f. Employee benefits expense

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Short-term benefits	\$ 544,531	\$ 540,271
Post-employment benefits (Note 24)		
Defined contribution plan	13,795	13,918
Defined benefit plans	464	534
Share-based payment (Note 30)		
Equity-settled	-	1,320
Other employee benefits	<u>30,341</u>	<u>24,994</u>
	<b><u>\$ 589,131</u></b>	<b><u>\$ 581,037</u></b>
 An analysis of employee benefits expense by function		
Operating costs	\$ 274,964	\$ 263,330
Operating expenses	<u>314,167</u>	<u>317,707</u>
	<b><u>\$ 589,131</u></b>	<b><u>\$ 581,037</u></b>

g. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at rates of no less than 0.01% and no higher than 3%, and remuneration of directors at rates of no higher than 3% of net profit before income tax, compensation of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation and distribution of no less than 10% of the compensation of employees as compensation for non-executive employees.

The compensation of employees and the remuneration of directors for the years ended December 31, 2025 and 2024, which was approved by the Company's board of directors on March 5, 2026 and February 25, 2025, respectively, are as follows:

Accrual rate

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Compensation of employees	1.43%	2.71%
Remuneration of directors	1.43%	2.71%

Amount

	<b><u>For the Year Ended December 31, 2025</u></b>		<b><u>For the Year Ended December 31, 2024</u></b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Compensation of employees	\$ 7,320	\$ -	\$ 8,520	\$ -
Remuneration of directors	7,320	-	8,520	-

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

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

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

h. Gains or losses on foreign currency exchange

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 107,891	\$ 241,661
Foreign exchange losses	<u>(171,223)</u>	<u>(201,098)</u>
Net foreign exchange (losses) gains	<u>\$ (63,332)</u>	<u>\$ 40,563</u>

## 28. INCOME TAXES

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 45 of Enterprise Merger Law", as a result of division in accordance with Article 40 of Enterprise Merger Law, the Company is elected as a tax payer and file a joint tax return which holds more than 90% shares of a domestic subsidiary for 12 months during a taxable year.

The Company filed the joint income tax returns of the Company and Chia Hsin Property Management & Development Corporation. The objective of the Company under the linked-tax system is to reduce the income tax liabilities of the companies by maximizing the benefits from the synergy of the Group and its subsidiaries.

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax		
In respect of the current year	\$ 33,174	\$ 20,230
Income tax on unappropriated earnings	45	1,836
Adjustments for prior years	861	747
Land value increment tax	-	284
Withholding tax on dividend	-	19,929
	<u>34,080</u>	<u>43,026</u>
Deferred tax		
In respect of the current year	(41,600)	5,584
Land value increment tax	-	(237)
	<u>(41,600)</u>	<u>5,347</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (7,520)</u>	<u>\$ 48,373</u>

A reconciliation of accounting profit and income tax (benefit) expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit before tax from continuing operations	<u>\$ 559,376</u>	<u>\$ 385,784</u>
Income tax expense calculated at the statutory rate	\$ 111,875	\$ 77,157
Nondeductible expenses in determining taxable income	4,125	4,915
Tax-exempt income	(132,000)	(94,618)
Income tax on unappropriated earnings	45	1,836
Unrecognized loss carryforwards	18,978	36,228
Land value increment tax	-	47
Withholding tax on dividend	-	19,929
Unrecognized deductible temporary differences	1,581	(62,737)
Effect of different tax rates of group entities in the Group operating in other jurisdictions	(12,985)	64,869
Adjustments for prior years' income tax	<u>861</u>	<u>747</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (7,520)</u>	<u>\$ 48,373</u>

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 33,887	\$ (36,424)
Remeasurement of defined benefit plans	<u>(317)</u>	<u>(1,443)</u>
Total income tax recognized in other comprehensive income	<u>\$ 33,570</u>	<u>\$ (37,867)</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax assets		
Tax refund receivable	<u>\$ 8,705</u>	<u>\$ 8,602</u>
Current tax liabilities		
Income tax payable	<u>\$ 21,600</u>	<u>\$ 13,908</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Lease liability	\$ 40,349	\$ (4,029)	\$ -	\$ (850)	\$ 35,470
Impairment of inventory	1,466	(46)	-	-	1,420
Fair value changes of financial assets at FVTPL	8,071	3,412	-	-	11,483
Unrealized gain or loss on foreign exchange	-	10,877	-	-	10,877
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	172,781	-	33,887	-	206,668
Retirement benefit over statutory limit	56,990	(70)	-	-	56,920
Payables for annual leave	498	16	-	-	514
Defined benefit obligations	7,008	-	(92)	-	6,916
Others	1,649	414	-	-	2,063
	<u>289,785</u>	<u>10,574</u>	<u>33,795</u>	<u>(850)</u>	<u>333,304</u>
Loss carryforwards	-	4,298	-	(159)	4,139
	<u>\$ 289,785</u>	<u>\$ 14,872</u>	<u>\$ 33,795</u>	<u>\$ (1,009)</u>	<u>\$ 337,443</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Right-of-use assets	\$ 36,530	\$ (4,383)	\$ -	\$ (785)	\$ 31,362
Gain on investments accounted for using the equity method	398,646	(10,105)	-	-	388,541
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,583	-	-	-	1,150,583
Defined benefit obligations	4,730	-	225	-	4,955
Unrealized gain or loss on foreign exchange	12,278	(12,240)	-	-	38
Others	60	-	-	-	60
	<u>\$ 1,603,056</u>	<u>\$ (26,728)</u>	<u>\$ 225</u>	<u>\$ (785)</u>	<u>\$ 1,575,768</u>

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Lease liability	\$ 39,595	\$ (1,215)	\$ -	\$ 1,969	\$ 40,349
Impairment of inventory	1,385	81	-	-	1,466
Fair value changes of financial assets at FVTPL	6,475	1,596	-	-	8,071
Unrealized gain or loss on foreign exchange	9,696	(9,696)	-	-	-
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	209,205	-	(36,424)	-	172,781
Retirement benefit over statutory limit	57,071	(81)	-	-	56,990
Payables for annual leave	501	(3)	-	-	498
Defined benefit obligations	7,980	-	(972)	-	7,008
Others	1,479	170	-	-	1,649
	<u>\$ 334,360</u>	<u>\$ (9,148)</u>	<u>\$ (37,396)</u>	<u>\$ 1,969</u>	<u>\$ 289,785</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Right-of-use assets	\$ 36,596	\$ (1,867)	\$ -	\$ 1,801	\$ 36,530
Gain on investments accounted for using the equity method	412,543	(13,897)	-	-	398,646
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,820	(237)	-	-	1,150,583
Defined benefit obligations	4,259	-	471	-	4,730
Unrealized gain or loss on foreign exchange	78	12,200	-	-	12,278
Others	60	-	-	-	60
	<u>\$ 1,604,585</u>	<u>\$ (3,801)</u>	<u>\$ 471</u>	<u>\$ 1,801</u>	<u>\$ 1,603,056</u>

- e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Loss carryforwards		
Expiry in 2025	\$ -	\$ 24,276
Expiry in 2026	55,572	56,781
Expiry in 2027	101,743	103,962
Expiry in 2028	56,810	73,787
Expiry in 2029	235,877	274,917
Expiry in 2030	449,639	430,560
Expiry in 2031	318,383	333,824
Expiry in 2032	323,391	339,412
Expiry in 2033	154,060	167,599
Expiry in 2034	91,067	119,442
Expiry in 2035	53,542	-
	<u>\$ 1,840,084</u>	<u>\$ 1,924,560</u>

(Continued)

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Deductible temporary differences		
Impairment loss on non-financial assets	\$ 1,969	\$ 2,008
Loss on fair value changes of financial assets	-	10,282
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	2,471,915	2,428,269
Impairment loss on property, plant and equipment	78,174	75,596
Impairment loss on investment properties	8,350	12,173
Impairment loss on right-of-use	77,912	59,847
Credit loss allowance	817	833
Capitalized expenses	2,226	-
Others	<u>9,501</u>	<u>11,230</u>
	<u>\$ 2,650,864</u>	<u>\$ 2,600,238</u>
		(Concluded)

f. Income tax assessments

- 1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, through 2022 have been assessed by the tax authorities. The income tax returns of Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Chia Sheng Construction Corporation, Jaho Life Plus+ Management Corp., Ltd., BlueSky. Co., Ltd., Chia Hsin Green Energy Corporation and YJ International Corporation through 2023 have been assessed by the tax authorities. The income tax returns of Chuang Neng Technology Co., Ltd. through 2024 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.
- 2) Other overseas group entities in the Group do not involve in any material pending action in regard of taxation.

## 29. EARNINGS PER SHARE

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Basic earnings per share	<u>\$ 0.84</u>	<u>\$ 0.48</u>
Diluted earnings per share	<u>\$ 0.84</u>	<u>\$ 0.48</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

**Net Profit for the Year**

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Profit for the year attributable to owners of the Company	\$ 556,262	\$ 319,580
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>          -</u>	<u>          -</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 556,262</u>	<u>\$ 319,580</u>

**Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)**

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	659,373	659,326
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>      601</u>	<u>      507</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>659,974</u>	<u>659,833</u>

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

### 30. SHARE-BASED PAYMENT ARRANGEMENTS

#### Transaction of Treasury Shares Granted to Employees

To motivate the employees and enhance the internal cohesion in the Group, in 2024, the Group registered to transfer to its employees who met specific criteria a total of 1,435,000 shares; the shares were repurchased in 2020 under the first repurchase plan. The related information was as follows:

	<b>For the Year Ended December 31, 2024</b>	
	<b>Number of Shares (In Thousands of Shares)</b>	<b>Weighted- average Exercise Price (\$) (Note)</b>
<b>Treasury Shares Granted to Employees</b>		
Balance at January 1	-	
Shares granted	1,435	\$ 15.3
Shares exercised	(1,435)	15.3
Shares expired	<u>-</u>	
Balance at December 31	<u><u>-</u></u>	
Shares exercisable, end of the period	<u><u>-</u></u>	
Weighted-average fair value of shares granted (\$)	<u><u>\$ 0.92</u></u>	

Note: The transfer price is adjusted based on the average price of the actual repurchased shares, taking into account the cost of funds and the capitalization of earnings.

The Group used the Black-Scholes pricing model to value the treasury shares granted to its employees in 2024. Inputs used in the model were as follows:

	<b>Granted on August 8, 2024</b>
Exercise price (\$)	\$15.3
Fair value (\$)	\$0.92
Expected rate of volatility	18.30%
Duration	15 days
Risk-free rate of interest	1.29%

The Company and its subsidiaries recognized \$695 thousand and \$625 thousand of compensation costs on the grant date, respectively, and recognized a deduction of \$350 thousand of capital surplus - treasury share transactions on the share settlement date.

### 31. GOVERNMENT GRANTS

In order to finance the construction of Hotel COLLECTIVE in Okinawa, the Group applied for a loan from Okinawa Development Finance Corporation. The loan facility was JPY10,500,000 thousand. The term of the loan lasts for 25 years, and the loan is to be repaid semi-annually in 42 installments, with the first installment commencing in the fourth year after the first drawdown date on December 20, 2017. The Group had drawn JPY10,500,000 thousand in total. The fair value of the borrowing was JPY8,873,333 thousand discounted at the market interest rate at the borrowing date. The difference of JPY1,626,667 thousand between the proceeds and the fair value of the loan is the benefit derived from the low-interest loan and has been recognized as deferred revenue. As of December 31, 2025 and 2024, the amount of deferred revenue was JPY1,350,270 thousand and JPY1,391,290 thousand, respectively (equivalent to \$271,134 thousand and \$292,031 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the years ended December 31, 2025 and 2024, a total of JPY41,020 thousand and JPY41,020 thousand (equivalent to \$8,553 thousand and \$8,701 thousand) was recognized under other income, respectively.

### 32. CASH FLOW INFORMATION

#### a. Non-cash transactions

For the years ended December 31, 2025 and 2024, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

- 1) As of December 31, 2025 and 2024, the payables for equipment - property, plant and equipment were \$18,770 thousand and \$70 thousand, respectively.
- 2) As of December 31, 2025 and 2024, the dividends declared but not yet paid to non-controlling interests - unrelated party were \$0 thousand and \$1,384 thousand, respectively.

#### b. Changes in liabilities arising from financing activities

##### For the year ended December 31, 2025

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate		
Short-term borrowings	\$ 885,000	\$ 1,035,425	\$ -	\$ -	\$ -	\$ (385)	\$ -	\$ 1,920,040
Short-term bills payable	179,910	(120,000)	-	(183)	-	-	-	59,727
Long-term borrowings	7,935,418	(361,533)	-	19,416	-	(105,538)	-	7,487,763
Guarantee deposits received	125,881	10,804	-	-	-	(183)	-	136,502
Lease liabilities	1,843,627	(155,670)	550,033	49,322	(264,738)	(3,408)	(49,322)	1,969,844
	<u>\$ 10,969,836</u>	<u>\$ 409,026</u>	<u>\$ 550,033</u>	<u>\$ 68,555</u>	<u>\$ (264,738)</u>	<u>\$ (109,514)</u>	<u>\$ (49,322)</u>	<u>\$ 11,573,876</u>

##### For the year ended December 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate		
Short-term borrowings	\$ 1,356,040	\$ (467,470)	\$ -	\$ -	\$ -	\$ (3,570)	\$ -	\$ 885,000
Short-term bills payable	744,106	(565,000)	-	804	-	-	-	179,910
Long-term borrowings	7,957,470	61,980	-	20,738	-	(104,770)	-	7,935,418
Guarantee deposits received	131,553	(5,771)	-	-	-	99	-	125,881
Lease liabilities	1,465,980	(111,102)	389,121	34,057	94,310	7,868	(36,600)	1,843,627
	<u>\$ 11,655,149</u>	<u>\$ (1,087,370)</u>	<u>\$ 389,121</u>	<u>\$ 55,599</u>	<u>\$ 94,310</u>	<u>\$ (100,373)</u>	<u>\$ (36,600)</u>	<u>\$ 10,969,836</u>

### 33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in recent years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital and related risks in determining the proper structure for its capital. Followed the management's suggestion, the Group balances its overall capital structure by obtaining financing facilities from financial institutions and adjusting the amount of dividends paid to the shareholders.

### 34. FINANCIAL INSTRUMENTS

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

The Group's management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

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

##### 1) Fair value hierarchy

December 31, 2025

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares in domestic market	\$ 544,360	\$ -	\$ -	\$ 544,360
Listed shares in foreign market	32,458	-	-	32,458
Mutual funds	<u>14,490</u>	<u>-</u>	<u>266,517</u>	<u>281,007</u>
	<u>\$ 591,308</u>	<u>\$ -</u>	<u>\$ 266,517</u>	<u>\$ 857,825</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 8,256,548	\$ -	\$ -	\$ 8,256,548
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>523,887</u>	<u>523,887</u>
	<u>\$ 8,256,548</u>	<u>\$ -</u>	<u>\$ 523,887</u>	<u>\$ 8,780,435</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 743,802	\$ -	\$ -	\$ 743,802
Listed shares in foreign market	156,742	-	-	156,742
Mutual funds	<u>24,853</u>	<u>-</u>	<u>317,757</u>	<u>342,610</u>
	<u>\$ 925,397</u>	<u>\$ -</u>	<u>\$ 317,757</u>	<u>\$ 1,243,154</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 10,897,109	\$ -	\$ -	\$ 10,897,109
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>552,805</u>	<u>552,805</u>
	<u>\$ 10,897,109</u>	<u>\$ -</u>	<u>\$ 552,805</u>	<u>\$ 11,449,914</u>

(Concluded)

There were no transfers between Levels 1 and 2 in 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Mutual Funds	Equity Instruments	
Balance on January 1, 2025	\$ 317,757	\$ 552,805	\$ 870,562
Purchase	49,789	15,000	64,789
Disposal	(122,410)	-	(122,410)
Recognized in profit or loss	21,381	-	21,381
Recognized in other comprehensive income	<u>-</u>	<u>(43,918)</u>	<u>(43,918)</u>
Balance on December 31, 2025	<u>\$ 266,517</u>	<u>\$ 523,887</u>	<u>\$ 790,404</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 19,197</u>	<u>\$ -</u>	<u>\$ 19,197</u>

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Mutual Funds	Convertible Bonds	Equity Instruments	
Balance on January 1, 2024	\$ 427,533	\$ 29,922	\$ 491,057	\$ 948,512
Purchase	-	-	-	-
Disposal	(129,332)	-	-	(129,332)
Convert	-	(18,842)	18,842	-
Recognized in profit or loss	19,556	(11,080)	-	8,476
Recognized in other comprehensive income	-	-	42,906	42,906
Balance on December 31, 2024	<u>\$ 317,757</u>	<u>\$ -</u>	<u>\$ 552,805</u>	<u>\$ 870,562</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 13,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,226</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of mutual funds is determined using the method and hypothesis described below:

The fair value is determined by the use of valuation techniques or the price quotations from various counterparties. The fair value measurement using valuation techniques uses as reference the published current fair value of instruments with similar terms and characteristics, or uses discounted cash flow method or other valuation methods, including the use of a valuation model using market information available at the balance sheet date.

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2025 and 2024, the ranges of liquidity discount used were 12.34%-30.00% and 9.87%-29.21%, respectively.

c. Categories of financial instruments

	December 31	
	2025	2024
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 857,825	\$ 1,243,154
Financial assets measured at amortized cost (1)	6,330,439	6,049,062
Financial assets at FVTOCI		
Equity instruments	8,780,435	11,449,914
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	9,878,579	9,544,619

- 1) The balances include financial assets, which comprise cash and cash equivalent, notes receivable from unrelated parties, trade receivables from unrelated parties and related parties, other receivables from unrelated parties and related parties, financial assets at amortized cost, and refundable deposits.
- 2) The balances include financial liabilities, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated parties and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance and payable for dividends) and other payables to related parties, current portion of long-term borrowings payable, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity securities, trade receivables, financial assets at amortized cost, trade payables, lease liabilities and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporation's treasury function keeps close attention, and continuously tracks financial information and acts in concert with investment projects, plans and diversifies the positions of major international currencies to effectively manage the risks of interest rate and exchange rate changes and achieve the purpose of reducing risks. Also, the corporate treasury function reports regularly to the Group's management, which monitors risks and implements policies to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency transactions, which exposes the Group to foreign currency risk. Exchange rate exposures are managed by the delegated team, which regularly monitors and properly adjusts the assets and liabilities affected by the exchange rate to manage foreign currency risk.

Since the Group's net investments in foreign operations are strategic investments, the Group does not seek to hedge against the currency risk.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	<u>USD Impact (i)</u>		<u>JPY Impact (ii)</u>	
	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>	<u>For the Year Ended December 31</u>
	2025	2024	2025	2024
Profit or loss	\$ 57,575	\$ 80,364	\$ 24,997	\$ 18,378

- i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.
- ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the decrease in financial assets in USD, and the increase in the financial assets in JPY.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Fair value interest rate risk		
Financial assets	\$ 5,471,891	\$ 4,346,281
Financial liabilities	4,976,489	4,250,743
Cash flow interest rate risk		
Financial assets	411,257	1,212,691
Financial liabilities	6,460,885	6,593,212

### Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to interest rates of derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have decreased/increased by \$15,124 thousand and \$13,451 thousand, respectively.

For the year ended December 31, 2025, the Group's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate liabilities.

#### c) Other price risk

The Group is exposed to equity price risk through its investments in equity securities and mutual funds. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

### Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the end of year.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2025 would have increased/decreased by \$3,135 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2025 would have increased/decreased by \$8,892 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2025 would have increased/decreased by \$5,444 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2025 would have increased/decreased by \$78,913 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2024 would have increased/decreased by \$4,994 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2024 would have increased/decreased by \$8,913 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2024 would have increased/decreased by \$7,438 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2024 would have increased/decreased by \$105,586 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Group's sensitivity to equity price of the financial assets decreased due to the decrease in the amount of such equity securities.

The difference of the Group's sensitivity to equity price of Taiwan Cement Corporation due to the change from the price of such equity securities.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and financial institution to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group also delegates a special team to monitor the credit risk exposures and the credit amount of the counterparties and, therefore, does not expect any material credit risk.

The credit risk was mainly concentrated on the top 10 customers of the Group. As of December 31, 2025 and 2024, receivables from the top 10 customers were 44% and 51%, respectively, of total receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, as of the end of the accounting period, the Group reviews the recoverability of the receivables and provides proper allowance for assessed irrecoverable receivables. In view of the methods mentioned above, the management considered the Group's credit risk has materially declined.

Transactions with banks of high credit ratings given by international rating agencies are mostly free from credit risks.

## 3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group had available unutilized bank loan facilities set out in (b) below.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2025

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 196,356	\$ 91,811	\$ 22,272	\$ 42,696	\$ 57,914
Fixed interest rate liabilities	1,241,162	280,609	106,362	423,043	1,145,658
Lease liabilities	40,893	4,456	147,264	691,708	1,393,808
Variable interest rate liabilities	<u>210,120</u>	<u>246,990</u>	<u>968,294</u>	<u>5,383,556</u>	<u>-</u>
	<u>\$ 1,688,531</u>	<u>\$ 623,866</u>	<u>\$ 1,244,192</u>	<u>\$ 6,541,003</u>	<u>\$ 2,597,380</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 192,613</u>	<u>\$ 691,708</u>	<u>\$ 709,300</u>	<u>\$ 371,958</u>	<u>\$ 312,550</u>	<u>\$ -</u>

December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 230,513	\$ 192,344	\$ 26,982	\$ 35,858	\$ 59,978
Fixed interest rate liabilities	610,522	155,418	111,435	553,397	1,197,578
Lease liabilities	20,216	4,906	164,362	579,971	1,383,184
Variable interest rate liabilities	<u>210,739</u>	<u>128,057</u>	<u>1,033,274</u>	<u>4,789,946</u>	<u>836,205</u>
	<u>\$ 1,071,990</u>	<u>\$ 480,725</u>	<u>\$ 1,336,053</u>	<u>\$ 5,959,172</u>	<u>\$ 3,476,945</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 189,484</u>	<u>\$ 579,971</u>	<u>\$ 627,678</u>	<u>\$ 376,942</u>	<u>\$ 353,741</u>	<u>\$ 24,823</u>

b) Financing facilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 2,390,713	\$ 1,796,185
Amount unused	<u>4,155,589</u>	<u>5,254,500</u>
	<u>\$ 6,546,302</u>	<u>\$ 7,050,685</u>
Secured bank overdraft facilities:		
Amount used	\$ 7,236,013	\$ 7,389,904
Amount unused	<u>370,000</u>	<u>890,000</u>
	<u>\$ 7,606,013</u>	<u>\$ 8,279,904</u>

### 35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Int'l Chia Hsin Corporation	Associate
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate
FDC International Hotels Corporation	Associate
L'Hotel de Chine Corporation	Associate
Chia Jian Condominium Management and Maintenance Ltd.	Associate
Chia Hsin Winn Corp.	Substantive related party
Sung Ju Investment Corp.	Substantive related party
La Trinite Naturelle Crop.	Substantive related party
Chia Hsin Foundation	Substantive related party
Pak Lion Investment Co., Ltd.	Substantive related party
Shun Long Ceramic Co., Ltd.	Substantive related party
Ci Hong Co., Ltd.	Substantive related party
Jia Min Co., Ltd.	Substantive related party

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company
TCC Energy Storage Technology Corporation	The Company acts as a member of the B.O.D. of its ultimate parent company
Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor

(Concluded)

b. Revenue

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
Rental revenue	Associates	\$ 19,785	\$ 16,616
	Substantive related parties	9,899	9,771
	The Company acts as a member of the B.O.D.	3,214	816
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>2,760</u>	<u>2,615</u>
		<u>\$ 35,658</u>	<u>\$ 29,818</u>
Service revenue	The Company acts as a member of the B.O.D. Taiwan Cement Corporation	<u>\$ 41,497</u>	<u>\$ 35,027</u>

The Group leases out the office and factory buildings to related parties at market price. The lease agreements were negotiated by both sides. The rentals are collected monthly.

The Group renders cement warehousing and storage service to a related party. The agreement for the service was negotiated by both sides. The fee is collected monthly.

c. Cost of goods sold

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
Purchases of goods	The Company acts as a member of the B.O.D. Taiwan Cement Corporation	\$ 516,689	\$ 573,750
	Substantive related parties	<u>3,034</u>	<u>2,674</u>
		<u>\$ 519,723</u>	<u>\$ 576,424</u>

The purchase prices and payment terms to related parties were not significantly different from those of purchase from third parties. The payment term is 60 days after the purchase of goods.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31	
		2025	2024
Trade receivables	Associates		
	FDC International Hotels Corporation	\$ 1,917	\$ 1,233
	Others	72	68
	The Company acts as a member of the B.O.D. Taiwan Cement Corporation	4,480	4,101
	Substantive related parties	<u>5</u>	<u>6</u>
		<u>\$ 6,474</u>	<u>\$ 5,408</u>
Other receivables - other	Associates		
	Chia Hsin Construction & Development Corp.	<u>\$ 1,398</u>	<u>\$ 374</u>

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized for trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31	
		2025	2024
Trade payables	The Company acts as a member of the B.O.D. Taiwan Cement Corporation	\$ 77,616	\$ 110,880
	Substantive related parties	<u>9</u>	<u>4</u>
		<u>\$ 77,625</u>	<u>\$ 110,884</u>
Other payables - other	Substantive related parties		
	La Trinite Naturelle Crop.	<u>\$ 37</u>	<u>\$ 321</u>

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

The Group leases out the office buildings and factory buildings to its related parties under operating leases. The lease agreements were negotiated by both sides. The rentals were paid monthly.

Future lease payment receivables are as follows:

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Associates	\$ 49,075	\$ 59,529
Substantive related parties	8,330	16,968
The Company acts as a member of the B.O.D.	5,342	8,547
The Company acts as a member of the B.O.D. of its ultimate parent company	<u>4,771</u>	<u>7,498</u>
	<u>\$ 67,518</u>	<u>\$ 92,542</u>

g. Others

1)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2025</b>	<b>2024</b>
Refundable deposits	Substantive related parties	\$ 794	\$ 764
	Associates	4,487	4,471
	The Company acts as a member of the B.O.D.	535	535
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>477</u>	<u>477</u>
		<u>\$ 6,293</u>	<u>\$ 6,247</u>

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 363,605	\$ 356,543
	The Company acts as a supervisor	<u>8,155</u>	<u>5,436</u>
		<u>\$ 371,760</u>	<u>\$ 361,979</u>
Other income	The Company acts as a member of the B.O.D. of its ultimate parent company	\$ -	\$ 948
	Associates	<u>3</u>	<u>-</u>
		<u>\$ 3</u>	<u>\$ 948</u>

- 2) The Group acts as a member of the B.O.D of related parties. The receipts of remuneration of directors recognized as other income are as follows:

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Other income	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 18,475	\$ 13,203
	Associates	1,522	374
	The Company acts as a supervisor	<u>684</u>	<u>251</u>
		<u>\$ 20,681</u>	<u>\$ 13,828</u>

- 3)

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
General and administrative expenses	Substantive related parties	<u>\$ 8,781</u>	<u>\$ 8,846</u>

- h. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 67,455	\$ 61,169
Post-employment benefits	657	641
Share-based payment equity settlement	<u>-</u>	<u>673</u>
	<u>\$ 68,112</u>	<u>\$ 62,483</u>

The remuneration of directors and other key management personnel is determined based on individual performance and market trends, reviewed by the Remuneration Committee, and submitted to the Board of Directors for approval.

### 36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The amounts of restricted assets of the Group that were provided as guarantees are as follows:

	December 31	
	2025	2024
Financial assets at amortized cost - non-current	\$ 11,511	\$ 16,816
Carrying amount of property, plant and equipment	<u>2,361,305</u>	<u>2,514,834</u>
Land	759,094	793,495
Buildings	1,602,211	1,721,339
Carrying amount of investment properties	<u>3,120,143</u>	<u>3,137,975</u>
Land - after revaluation	3,098,067	3,111,598
Buildings - after revaluation	<u>22,076</u>	<u>26,377</u>
	<u>\$ 5,492,959</u>	<u>\$ 5,669,625</u>

### 37. OTHER SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

- a. As of December 31, 2025 and 2024, the Group had bank guarantees of \$158,643 thousand and \$139,288 thousand, respectively, issued under its name for the operations in the ports.
- b. Unrecognized commitments were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Property under construction	\$ 88,594	\$ 99,797
Purchase property, plant and equipment	<u>83,518</u>	<u>85,014</u>
	<u>\$ 172,112</u>	<u>\$ 184,811</u>

As of December 31, 2025 and 2024, the abovementioned unrecognized commitments also include contractual commitments of CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$82,308 thousand and \$68,721 thousand, respectively.

### 38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 34,634	31.430 (USD:NTD)	\$ 1,088,555
USD	2,003	1.2860 (USD:SGD)	62,953
JPY	839,322	0.0064 (JPY:USD)	168,568
JPY	1,650,214	0.2008 (JPY:NTD)	331,363
Non-monetary items			
Investments accounted for using the equity method			
EUR	16,491	36.90 (EUR:NTD)	608,530
Financial assets at FVTPL			
USD	2,762	31.430 (USD:NTD)	86,809
HKD	8,037	4.0384 (HKD:NTD)	32,458
EUR	4,450	36.90 (EUR:NTD)	164,198

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,264	32.785 (USD:NTD)	\$ 1,024,987
USD	17,761	1.3652 (USD:SGD)	582,300
JPY	837,159	0.0064 (JPY:USD)	175,711
JPY	914,018	0.2099 (JPY:NTD)	191,852
Non-monetary items			
Investments accounted for using the equity method			
EUR	14,465	34.14 (EUR:NTD)	493,840
Financial assets at FVTPL			
USD	5,988	32.785 (USD:NTD)	196,326
HKD	7,236	4.2207 (HKD:NTD)	30,542
EUR	4,285	34.14 (EUR:NTD)	146,284

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange (losses) gains were \$(63,332) thousand and \$40,563 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

### 39. OTHERS

#### Important Contracts

- a. The Group as lessee leased the East Wharf Nos. 13, 14 and 15 in the Port of Taipei from Taiwan International Ports Co., Ltd. and committed to constructing East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and is used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sandstone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sandstone.

The Group settled with Taiwan International Ports Co., Ltd. on December 27, 2016 and agreed that the Group's annual guaranteed transportation volume of sand and gravel can be replaced by the actual transportation of coal or other bulk cargoes during the year. (The annual replaceable limit shall be 4,050 thousand tons of guaranteed volume for transporting eastern sand and gravel to the north).

To promote the transporting of eastern sand and gravel to the north, Taiwan International Ports Co., Ltd. suspended Group's priority right to berth and provided Cargo the choice to berth their sand and gravel at Taipei Port First Bulk Cargo Center or Taipei Port Second Bulk Cargo Center according to their willingness instead. Meanwhile, Taiwan International Ports Co., Ltd. suspended 1,900 thousand tons of guaranteed volume for sand and gravel from January 1, 2020 to December 31, 2025.

- b. In order to satisfy the demand for cement in the northern part of Taiwan, the Group leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the West Wharf No. 33 of the Port of Keelung. The Group committed to build silos, loading and unloading equipment at the Wharf No. 33 under the name of Keelung Harbor Bureau, Transportation Department of Taiwan Government and the title of the property belongs to the Keelung Harbor Bureau, while the Group has the right to use the property free of charge within the lease term for operating the business of loading and unloading, transporting and storing cement. The lease term is 23 years and 9 months from October 7, 2000, the date of the transfer of the titles of related constructed equipment to Keelung Harbor Bureau. The minimum guaranteed transporting volume is 900,000 tons of cement per year and the management fees will be charged based on the minimum guaranteed volume of 900,000 tons regardless if the Group reached the volume or not. The rental is charged based on the average rental rate in the port and 5% of the rental rate published by the Taiwanese government. The Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of the loading fee in the port. The aforementioned contract expired on July 6, 2024. The Group executed a new lease agreement on February 25, 2025, with a lease term from July 7, 2024 to July 6, 2034. In order to integrate the Group's resources and enhance professional specialization, the Company assigned the warehouse management operations to its subsidiary, Tong Yang Chia Hsin International Corporation. With the consent of Port of Keelung Taiwan International Ports Corporation Ltd., the three parties entered into a "Transfer Agreement of Rights and Obligations under the Lease and Operation Contract for the Rear Area Land and Cement Storage Facilities of West Wharf No. 33 of the Port of Keelung" (the "Agreement"). Under the Agreement, Tong Yang Chia Hsin International Corporation acts as the lessee, while the Company serves as the joint guarantor and agrees to be jointly and severally liable with Tong Yang Chia Hsin International Corporation for all obligations and liabilities arising from the assignment of the original contract. All rights and obligations under the original contract have been transferred to Tong Yang Chia Hsin International Corporation. The Agreement is valid from the date of signing until July 6, 2034.
- c. In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 31, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the Port.
- d. In order to further establish the core development and transformation to the resort industry, the Group developed nearly 37 thousand square meters beach-side resorts at Toyosaki, Okinawa. On August 17, 2019, the Group and the Japan subsidiary of InterContinental Hotels Group (IHG), a large international hotel chain, signed a long-term management service contract for the management of InterContinental Okinawa Chura SUN Resort with the service period of 20 years from the completion of the resorts. It is expected to introduce the entrusted management of the resort from IHG.

#### 40. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
- 1) Financing provided to others (None)
  - 2) Endorsements/guarantees provided (Table 1)
  - 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
  - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 6) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. The disclosure of related information on affiliated companies as follows:

1) Disclosed items on the consolidated financial statements of affiliates are as follows:

No.	Items	Description
1	Subsidiaries' company names, relationships to the controlling company, nature of business, and the controlling company's shareholding or capital proportion.	Refer to Note 14
2	Variation of subsidiaries which are included in the current consolidated financial statements.	Refer to Note 14
3	Subsidiaries' company names, shareholding or capital proportion and the reasons that they are not listed on the consolidated financial statements.	None
4	The adjustments and the ways to manage when the controlling company and a subsidiary have different fiscal year start/end dates.	None
5	The adjustments when the controlling company and a subsidiary have different accounting policies.	None
6	Operating risk such as exchange risk for an overseas subsidiary.	Refer to Note 14
7	Retained earnings allocation of each subsidiary restricted by regulations or contracts.	Refer to Note 25
8	Consolidated amortization methods and expirations.	None
9	Others.	None

2) Disclosed items from each individual affiliate are as follows:

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 5
2	Information about accommodations of funds or endorsements.	Refer to Table 1
3	Information about derivative instrument transactions.	None
4	Significant contingencies.	None
5	Significant events after the reporting period.	None
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 2, 6 and 7
7	Others.	None

f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: Refer to Note 25.

#### 41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Cement segment - in charge of cement sale and related warehousing and storage business.

Assets management segment - in charge of real estate trading and leasing.

Warehousing and storage segment - in charge of loading and unloading, warehousing and storage business in the port.

Hospitality segment - in charge of catering and room service in the hotel and the maternal and childcare center

The segment information reported on the following pages:

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	<b>Segment Revenue</b>		<b>Segment Profit or Loss</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cement segment	\$ 1,233,434	\$ 1,306,160	\$ (24,873)	\$ (6,454)
Assets management segment	310,937	301,662	186,179	171,641
Warehousing and storage segment	636,252	576,002	81,185	42,376
Hospitality segment	834,734	801,533	(57,831)	(88,250)
Other segment	-	-	(19,824)	(31,914)
Revenue from continuing operation	<u>\$ 3,015,357</u>	<u>\$ 2,985,357</u>		
Interest income			162,593	177,410
Other income			504,149	479,492
Other gains and losses			(253,396)	(67,593)
Finance costs			(233,445)	(215,764)
Share of profit or loss of associates and joint ventures accounted for using the equity method			459,668	164,188
General and administrative expenses and remuneration of director			(245,029)	(239,348)
Profit before income tax			<u>\$ 559,376</u>	<u>\$ 385,784</u>

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the years ended December 31, 2025 and 2024 were eliminated through the consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general and administrative expenses and remuneration of directors, interest income, other income, other gains and losses, finance costs, share of profit or loss of associates and joint ventures accounted for using the equity method and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The measure of assets and liabilities of the Group is not reported to the operating decision maker. Therefore, the information of segment assets and liabilities does not need to be disclosed.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Revenue from the sale of goods	\$ 1,133,140	\$ 1,221,421
Revenue from the rent	311,893	303,450
Revenue from rendering of services	790,158	738,837
Revenue from catering and hospitality	<u>780,166</u>	<u>721,649</u>
	<u>\$ 3,015,357</u>	<u>\$ 2,985,357</u>

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Japan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	<b>Revenue from</b>		<b>Non-current Assets</b>	
	<b>External Customers</b>		<b>December 31</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Taiwan	\$ 2,251,146	\$ 2,289,584	\$ 7,870,414	\$ 7,755,668
China	28,022	30,031	208,416	275,659
Japan	<u>736,189</u>	<u>665,742</u>	<u>3,512,861</u>	<u>3,789,318</u>
	<u>\$ 3,015,357</u>	<u>\$ 2,985,357</u>	<u>\$ 11,591,691</u>	<u>\$ 11,820,645</u>

Non-current assets exclude investments accounted for using the equity method, financial instruments, deferred tax assets, refundable deposits and net defined benefit assets.

e. Information about major customers

Included in revenue of \$3,015,357 thousand and \$2,985,357 thousand in 2025 and 2024, respectively, is revenue of \$266,843 thousand and \$368,367 thousand which represents sales to the Group's largest customer.

Single customers contributed 10% or more to the Group's revenue are detailed below:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Customer A (Notes 1 and 2)	<u>\$ -</u>	<u>\$ 368,367</u>

Note 1: Revenue from sales of cement.

Note 2: The amount is less than 10% of the Group's revenue in 2025.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	\$ 7,902,474 (Paid-in capital)	\$ 819,672	\$ 803,200	\$ 88,553	\$ -	4.43%	\$ 18,135,537	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,902,474 (Paid-in capital)	1,522,450	818,915	542,160	-	4.52%	18,135,537	Yes	No	No
		Tong Yang Chia Hsin International Corporation	b.	7,902,474 (Paid-in capital)	326,794	319,351	319,351	-	1.76%	18,135,537	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	18,135,537	6,440,000	6,260,000	5,213,750	6,260,000	34.52%	18,135,537	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Dunhua Maternity Center	a.	28,156	1,000	1,000	1,000	1,000	0.01%	450,000	No	No	No

Note 1: a. The Company is coded "0."  
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amount of guarantee to any individual entity shall not exceed the paid-in capital of the Company. The total amount of guarantees shall not exceed the net worth of the Company.

Note 3: The amount of guarantees from Chia Hsin Property Management & Development Corporation shall not exceed the net worth of the Company.

Note 4: The amount of guarantees from Jaho Life Plus+ Management Corp., Ltd. shall not exceed the paid-in capital of the Company. The amounts of guarantee to any individual entity shall not exceed the half of paid-in capital of the Company. The amounts of guarantee for the business relationship shall not exceed the total amount of transaction one operating cycle.

Note 5: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

- Having a business relationship.
- The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
- The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
- The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee.
- Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
- Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 6: The listed amounts were eliminated upon consolidation.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	<u>Shares</u>							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	8,513,782	\$ 197,519	0.11	\$ 197,519	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	0.00	3	
	<u>Fund</u>							
	Ding Feng Asia Pacific II Real Estate LP Fund		Financial assets at FVTPL - current	-	30,000	-	30,000	
	<u>Foreign shares</u>							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	32,458	0.01	32,458	
	<u>Foreign fund</u>							
	JPMorgan Pacific Technology Fund		Financial assets at FVTPL - current	3,769	14,490	-	14,490	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	51,889	-	51,889	
	Barings Europe Core Property Fund		Financial assets at FVTPL - current	4,441	164,198	-	164,198	
	Verge HealthTech Fund II		Financial assets at FVTPL - current	650	20,430	-	20,430	
	<u>Shares</u>							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	27,939,039	648,186	0.36	648,186	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	301,284	1.72	301,284	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	617,004	22,212	0.31	22,212	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	210,238,955	4,877,543	2.71	4,877,543	
BIONET Therapeutics Corp.		Financial assets at FVTOCI - non-current	750,000	41,783	1.07	41,783		
B Current Impact Investment Fund 3	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	1,000,000	7,400	10.00	7,400		
Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor	Financial assets at FVTOCI - non-current	3,533,682	57,917	2.38	57,917		
Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	13,163,585	262,745	13.71	262,745		
Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	21,580	2.22	21,580		
Smart Ageing Tech Co., Ltd.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	5,215,384	73,235	11.41	73,235		
Gping Wellness Co., Ltd.		Financial assets at FVTOCI - non-current	2,967,072	91,445	18.00	91,445		
Tong Yang Chia Hsin International Corporation	<u>Shares</u>							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	14,949,915	346,838	0.19	346,838	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	35,700,561	828,253	0.46	828,253	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	129,917,726	1,812,352	16.44	1,812,352	Has been eliminated through consolidation
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	66,262,371	1,537,287	0.85	1,537,287	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	6,628	4.17	6,628	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,937	0.88	2,937	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 7.

Note 2: All the marketable securities as shown above have not been pledged as collateral.

Note 3: Except for noted, the highest shareholding of securities at the end of each period is the same as the number of shares/units held at the end of the year.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D. Subsidiary	Purchases	\$ 516,689	48	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	\$ (77,616)	(54)	
	Chia Pei International Corporation		Rendering service revenue	(97,775)	(7)	Billed and paid quarterly	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	2,963	2	Note
			Warehousing and storage service revenue	(2,775)	(0)	Billed and paid Monthly	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	-	-	Note

Note: The transaction has been eliminated through consolidation.

**CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Subsidiary	\$ 1,198,032 (Notes 1 and 3)	-	\$ -	-	\$ 15,321	\$ -

Note 1: The amount is finance lease receivable from the sublease of the wharf in the Port of Taipei.

Note 2: The amount received in subsequent period as of March 9, 2026.

Note 3: The transaction has been eliminated through consolidation.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)	
				Financial Statement Accounts	Amount (Note 5)	Payment Terms		
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	\$ 97,775	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.  Every May (Linked tax payment)	3.24	
		Chia Pei International Corporation	a.	Finance lease receivables	1,198,032		3.67	
		Chia Pei International Corporation	a.	Interest income from sublease	19,039		0.63	
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	803,200		2.46	
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	818,915		2.51	
		Tong Yang Chia Hsin International Corporation	a.	Endorsement or guarantee	319,351		0.98	
		Tong Yang Chia Hsin International Corporation	a.	Right-of-Use Assets	326,794		1.00	
		Tong Yang Chia Hsin International Corporation	a.	Machine and Equipment	41,141		0.13	
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	37,166		0.11	
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	140,000		0.43	
Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	87,405	0.27				
1	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	14,583	Billed and paid quarterly	0.48	
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	72,261	The fee is billed monthly and collected in the next month.	2.40	
		Chia Hsin Cement Corporation	b.	Dividend revenue	62,419	Cash dividends	2.07	
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,260,000	Return of capital upon liquidation	19.19	
		Chuang Neng Technology Co., Ltd	c.	Investment accounted for using the equity method	19,508		0.06	
		Chia Hsin Cement Corporation	b.	Other income	19,566		Transaction fee arising from endorsement or guarantee	0.65
		Chia Hsin Cement Corporation	b.	Other receivables	20,544		Transaction fee arising from endorsement or guarantee	0.06

(Continued)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
4	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	\$ 22,358	Cash injection	0.07
5	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	22,358	Cash injection	0.07

Transactions with amount above \$10 million are listed in this table.

Note 1: The Company and the subsidiaries listed on the table are coded according to the following rules:

- a. The Company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The three types of relationships are as follows:

- a. The parent company to the subsidiary.
- b. The subsidiary to the parent company.
- c. The subsidiary to the subsidiary.

Note 3: For the calculation of percentage, percentage for balance sheet items is calculated by dividing the year-end balance with consolidated assets. Percentage for income items is calculated by dividing the accumulated sum with total operating income for the year.

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2025: US\$1= NT\$31.43; JPY1= NT\$0.2008; RMB1=NT\$4.47154; net income items denominated in foreign currencies are translated using the average exchange rate of 2025: US\$1=NT\$31.18; JPY1= NT\$0.2085; RMB1=NT\$4.36456.

Note 5: The transaction has been eliminated through consolidation.

(Concluded)

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2025	December 31, 2024	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City	Office buildings construction and lease and sale of public housings	\$ 656,292	\$ 656,292	31,458,920	46.18	\$ 1,893,081	\$ 455,528	\$ 208,052	(Notes 4 and 5)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	1,600,159	1,600,159	257,073,050	87.18	4,696,552	80,115	69,844	Subsidiary (Notes 3 and 5)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	4,034,316	155,345	155,345	Subsidiary (Note 3)
	Chia Pei International Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	120,000	120,000	19,560,000	100.00	250,246	28,692	28,692	Subsidiary (Note 3)
	BlueSky Co., Ltd.	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,469	744	744	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,308,228	21,889	16,232	Subsidiary (Note 3)
	YJ International Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,937,000	2,280,000	293,700,000	100.00	960,288	(31,297)	(31,297)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Management consulting service	450,000	450,000	45,000,000	100.00	96,944	(34,558)	(34,558)	Subsidiary (Note 3)
	Chia Hsin Green Energy Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	105,000	105,000	10,500,000	100.00	104,253	(252)	(252)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	917,275	869,479	-	40.00	608,530	56,152	22,461	(Note 4)
	L'Hotel De Chine Corporation	8F, No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,585,012	861,434	212,080	(Notes 4 and 5)
	International Chia Hsin Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	136,001	43,217	8,354	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Wholesale and retail business of machinery; warehousing; residence and office buildings leasing and selling	250,000	250,000	25,000,000	100.00	255,621	2,937	2,937	Subsidiary (Note 3)
	Chuang Neng Technology Co., Ltd.	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	Energy technology service	-	22,500	-	-	-	127	127	Subsidiary (Notes 3 and 7)
YJ International Corporation	CHC Ryukyu Development GK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	269,931	269,931	-	59.17	213,481	(10,386)	(6,145)	Subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Hotel management	2,611,968	2,611,968	-	100.00	673,822	(17,251)	(17,251)	Subsidiary (Note 3)
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT\$ 558,463	NT\$ 558,463	35,200,000	100.00	NT\$ 811,113	NT\$ (43,426)	NT\$ (43,426)	Subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	(US\$ 17,768,456)	(US\$ 17,768,456)	500,000	100.00	(US\$ 25,806,975)	(US\$ -1,392,743)	(US\$ -1,392,743)	Subsidiary (Note 3)
	CHC Ryukyu Development GK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	NT\$ 14,748	NT\$ 14,748	-	40.83	NT\$ 56,272	NT\$ (2,073)	NT\$ (2,073)	Subsidiary (Note 3)
				(US\$ 469,224)	(US\$ 469,224)			(US\$ 1,790,377)	(US\$ -66,487)	(US\$ -66,487)	
				NT\$ 301,200	NT\$ 301,200			NT\$ 147,311	NT\$ (10,386)	NT\$ (4,241)	Subsidiary (Note 3)
				(JPY1,500,000,000)	(JPY1,500,000,000)			(US\$ 4,686,971)	(US\$ -333,094)	(US\$ -136,002)	
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Zhongshan N. Rd., Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	134,651	43,217	8,721	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	78,490	78,490	2,700	100.00	508,923	11,701	11,701	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	752,786	21,889	5,294	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 7.

Note 2: The original investment amounts listed above were translated using the original investment rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2025: US\$1=NT\$31.430, JPY1=NT\$0.2008, EUR1=NT\$36.90; net income items denominated in foreign currencies are translated using the average exchange rate of 2025: US\$1=NT\$31.180, JPY1=NT\$0.2085, EUR1=NT\$35.18.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The carrying amount and the profit or loss of investment includes the amortization of discount and premium.

Note 6: The highest number of shares held of each investee during the period was the same as the those held at the end of the year and all the shares held are not pledged as collateral.

Note 7: The dissolution of the Company was resolved by the board of directors on October 15, 2024. The liquidation was completed on February 3, 2025.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year and repatriations of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 6)	Carrying Amount as of December 31, 2025 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	\$ 15,715 (US\$ 500)	b. and c.	\$ 399,852 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 399,852 (US\$ 12,722)	\$ 170 (US\$ 5)	95.23	\$ 170 (US\$ 5)	\$ 93,153 (US\$ 2,964)	\$ - (US\$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	330,015 (US\$ 10,500)	b.	504,954 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	504,954 (US\$ 16,066)	9,699 (US\$ 311)	95.23	9,699 (US\$ 311)	435,998 (US\$ 13,872)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	544,053 (US\$ 17,310)	b.	832,801 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	832,801 (US\$ 26,497)	(50,820) (US\$ -1,630)	95.23	(50,086) (US\$ -1,606)	270,317 (US\$ 8,601)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	366,666 (RMB 82,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(64,779) (RMB -14,842)	95.23	(64,779) (RMB -14,842)	10,894 (RMB 2,436)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	277,235 (RMB 62,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(61,687) (RMB -14,134)	95.23	(61,687) (RMB -14,134)	6,926 (RMB 1,549)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	15,715 (US\$ 500)	d.	435,211 (US\$ 13,847)	- (US\$ -)	- (US\$ -)	435,211 (US\$ 13,847)	(6,575) (US\$ -211)	87.18	(6,575) (US\$ -211)	48,182 (US\$ 1,533)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)

(Continued)

b. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
\$ 7,218,465 (US\$ 229,668)	\$ 7,295,657 (US\$ 232,124)	\$ 11,233,831

c. Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area: None.

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2025: US\$1=\$31.430 RMB1=\$4.47154 net income items denominated in foreign currencies are translated using the average exchange rate of 2025 US\$1=\$31.180 RMB1=\$4.36456.

b. The basis for investment income (loss) recognition includes the following:

- 1) The investment income (loss) is recognized based on the financial statements audited and attested by an international accounting firm which has cooperative relationship with an accounting firm in the ROC.
- 2) The investment income (loss) is recognized based on the financial statements audited and attested by the parent company's CPA in the ROC.
- 3) Other.

Note 2: The method of investment includes the following:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Effervesce Investment Pte. Ltd., the company that invests in mainland China.
- c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Sparksvie Pte. Ltd., the company that invests in mainland China.
- d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.
- e. Other method.

Note 3: Calculated by the 60% of consolidated net worth of Chia Hsin Cement Corporation according to the letter NO. 09704604680 issued by Ministry of Economic Affairs.

Note 4: The Company conducted a stock-for-stock transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the stock-for-stock transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

Note 5: The transaction has been eliminated upon consolidation.

Note 6: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 7: The highest number of shares held of each investee during the period was the same as the those held at the end of the year and all the shares held are not pledged as collateral.

(Concluded)