

OFCO Industrial Corp. and Subsidiaries
Consolidated Financial Statements and
Independent Auditor's Review Report
For the Three Months Ended March 31,
2026 and 2025
Stock Code: 5011

Address: 25 F.-3, No. 502, Jiuru 1st Rd., Sanmin Dist.,
Kaohsiung City
Tel: (07) 396-6999

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Independent Auditors' Review Report Translated From Chinese

Foreword

We have reviewed the accompanying consolidated balance sheets of OFCO Industrial Corp. and subsidiaries (hereinafter collectively referred to as "OFCO Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. The preparation of consolidated financial statements in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", as endorsed by the Financial Supervisory Commission, is the responsibility of the Company's management. Our responsibility is to express the conclusion of the financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Corporation and its subsidiaries as of March 31, 2026 and 2025, its consolidated financial performance and its consolidated cash flows for the three-month periods ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

PwC Taiwan Certified Public Accountant

Chung-Yu Tien

Huei-Yu Hsu

May 6, 2026

OFCO Industrial Corp. and Subsidiaries
Consolidated Balance Sheets
March 31, 2026 and December 31 and March 31, 2025

March 31, 2026 and December 31 and March 31, 2025							Unit: NT\$ thousand	
Assets		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 415,194	7	\$ 550,782	10	\$ 380,778	7
1110	Financial assets at fair value through profit or loss - current	6(2)	43,662	1	45,958	1	49,929	1
1120	Financial assets at fair value through other comprehensive income or loss - current	6(3)	29,702	1	23,816	-	25,965	1
1136	Financial Assets Carried at Cost - current	6(1)(4) &8	268,268	5	261,746	5	187,312	3
1140	Contract assets - current	6(26)	3,103	-	3,103	-	3,103	-
1150	Notes receivable, net	6(5)	312	-	40	-	90	-
1170	Accounts receivable, net	6(5)	406,845	7	316,843	6	470,517	8
1180	Accounts receivable, net - related parties	6(5) &7	71,071	1	96,057	2	107,876	2
1200	Other receivables	6(21)	3,935	-	30,708	1	2,655	-
1210	Other receivables - related parties	7	6,980	-	8,575	-	62,193	1
1220	Current tax assets	6(34)	3,381	-	1,617	-	15,893	-
130X	Inventories	6(6)	62,215	1	66,959	1	249,201	4
1410	Pre-payments	6(7) &7	716,566	13	645,566	12	568,085	10
1460	Non-current assets held for sale, net	6(8)(14)	4,781	-	77,800	2	-	-
1476	Other financial assets -current		-	-	-	-	500	-
11XX	Total current assets		2,036,015	36	2,129,570	40	2,124,097	37
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)(19)	257,300	5	247,800	5	226,666	4
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	415,645	7	443,730	8	487,018	8
1535	Financial Assets Carried at Cost - non-current	6(1)(4) &8	169,898	3	47,773	1	66,182	1
1600	Property, Plant and Equipment	6(8)(10)(14)(15),7&8	619,836	11	626,086	12	987,349	17
1755	Right-of-use assets	6(9)	15,154	-	16,389	-	19,300	-
1760	Investment property, net	6(8)(10)(11),7&8	135,126	2	135,785	2	137,928	2
1780	Intangible Assets	6(12)	786,823	14	799,395	15	840,825	15
1840	Deferred tax assets	6(34)	467,911	8	488,500	9	325,354	6
1915	Prepayments for equipment	6(8)	112,869	2	129,080	2	193,985	3
1920	Refundable deposits		41,474	1	50,445	1	10,956	-
1960	Prepayments for investments	4(3)	200,000	4	-	-	-	-
1975	Net defined benefit assets - non-current	6(21)	2,631	-	2,631	-	7,401	-
1990	Other non-current assets - others	6(12)(13)(15) &7	405,941	7	257,403	5	380,984	7
15XX	Total non-current assets		3,630,608	64	3,245,017	60	3,683,948	63
1XXX	Total Assets		\$ 5,666,623	100	\$ 5,374,587	100	\$ 5,808,045	100

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OFCO Industrial Corp. and Subsidiaries
Consolidated Balance Sheets
March 31, 2026 and December 31 and March 31, 2025

March 31, 2026 and December 31 and March 31, 2025							Unit: NT\$ thousand	
Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term loans	6(16) & 7&8	\$ 1,105,826	19	\$ 1,012,768	19	\$ 878,584	15
2110	Short-term notes and bills payable	6(17) & 8	79,930	1	79,959	1	173,000	3
2130	Contract liability - current	6(26)	34,956	1	84,568	2	148,274	3
2150	Notes payable		1,866	-	1,557	-	8,840	-
2170	Accounts payable		638,180	11	447,906	8	467,126	8
2180	Accounts payable - related parties	7	108,804	2	93,287	2	2,297	-
2200	Other payables	6(18)	90,118	2	105,120	2	170,129	3
2220	Other payables - related parties	7	604,129	11	460,665	9	67,294	1
2230	Current tax liabilities	6(34)	20,767	-	10,572	-	11,789	-
2280	Lease liabilities - current	6(9)	3,882	-	4,213	-	4,780	-
2310	Advance receipts	6(14)	4725	-	94,838	2	-	-
2320	Current portion of long-term liabilities	6(20) & 8	97,247	2	120,324	2	202,107	4
21XX	Total current liabilities		2,790,430	49	2,515,777	47	2,134,220	37
Non-current liabilities								
2530	Bonds payable	6(19)	-	-	-	-	350,310	6
2540	Long-term loans	6(20) & 8	629,304	11	652,436	12	716,913	12
2570	Deferred tax liabilities	6(34)	12,558	1	13,981	-	14,642	-
2580	Lease liabilities - non-current	6(9)	11,667	-	12,711	-	14,814	-
2645	Guarantee deposits received	7	55,582	1	48,842	1	46,208	1
2670	Other non-current liabilities - other		560	-	560	-	564	-
25XX	Total non-current liabilities		709,671	13	728,530	13	1,143,451	19
2XXX	Total liabilities		3,500,101	62	3,244,307	60	3,277,671	56
Equity attributed to the stockholders of the parent								
	Share capital	6(22)						
3110	Common stock		1,006,739	18	1,006,739	19	1,006,697	18
3200	Additional paid-in capital	6(19)(23)	1,110,593	20	1,110,593	21	1,110,464	19
	Retained earnings	6(25)						
3310	Legal reserve		51,123	1	51,123	1	51,123	1
3320	Special reserve		10,568	-	10,568	-	14,827	-
3350	Unappropriated earnings		(89,630)	(2)	(142,165)	(3)	(12,095)	-
3400	Other equity interest	6(3)	(66,395)	(1)	(44,196)	(1)	1,241	-
31XX	Equity attributable to owners of the parent		2,022,998	36	1,992,662	37	2,172,257	38
36XX	Non-controlling interest		143,524	2	137,618	3	358,117	6
3XXX	Total equity		2,166,522	38	2,130,280	40	2,530,374	44
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 5,666,623	100	\$ 5,374,587	100	\$ 5,808,045	100

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

OFCO Industrial Corp. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand
(In addition to the loss per share of NT\$)

Items	Note	January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
4000 Operating revenue	6(12)(26) &7	\$ 1,168,014	100	\$ 1,405,156	100
5000 Operating costs	6(6)(9)(12)(21)(32) (33) &7	(1,094,481)	(94)	(1,452,788)	(104)
5900 Gross profit(loss)		<u>73,533</u>	<u>6</u>	<u>(47,632)</u>	<u>(4)</u>
Operating Expenses	6(9)(12)(21)(32) (33) &7				
6100 Marketing expenses		(5,280)	(1)	(12,397)	(1)
6200 Administrative Expenses		(26,756)	(2)	(32,449)	(2)
6300 R&D Expenses		-	-	(1,258)	-
6000 Total operating expenses		<u>(32,036)</u>	<u>(3)</u>	<u>(46,104)</u>	<u>(3)</u>
6500 Net other income and expenses	6(10)(11)(27)&7	5,933	1	1,513	-
6900 Operating profit(loss)		<u>47,430</u>	<u>4</u>	<u>(92,223)</u>	<u>(7)</u>
Non-operating income & expenses					
7100 Interest income	6(4)(28)	714	-	1,244	-
7010 Other income	6(29)	8,055	1	5,742	-
7020 Other gains and losses	6(2)(9)(29)(30)(36), 7&12	46,976	4	25,428	2
7050 Financial costs	6(9)(31) &7	(17,982)	(2)	(14,808)	(1)
7000 Total non-operating Income and expenses		<u>37,763</u>	<u>3</u>	<u>17,606</u>	<u>1</u>
7900 Net income(loss) before tax		<u>85,193</u>	<u>7</u>	<u>(74,617)</u>	<u>(6)</u>
7950 Income tax benefits	6(34)	(27,752)	(2)	11,450	1
8200 Net income(loss)		<u>\$ 57,441</u>	<u>5</u>	<u>(\$ 63,167)</u>	<u>(5)</u>
Other comprehensive income items that will not be re-classified into profit and loss					
8316 Unrealized profit and loss on the equity instrument investments at fair value through other comprehensive income	6(3)	(\$ 22,199)	(2)	\$ 11,809	1
8300 Other comprehensive income (net)		<u>(\$ 22,199)</u>	<u>(2)</u>	<u>\$ 11,809</u>	<u>1</u>
8500 Total comprehensive income		<u>\$ 35,242</u>	<u>3</u>	<u>(\$ 51,358)</u>	<u>(4)</u>
Net profit (loss) attributed to:					
8610 Stockholders of the parent company		\$ 52,535	5	(\$ 27,653)	(2)
8620 Non-controlling interest		<u>4,906</u>	<u>-</u>	<u>(35,514)</u>	<u>(3)</u>
		<u>\$ 57,441</u>	<u>5</u>	<u>(\$ 63,167)</u>	<u>(5)</u>
Total comprehensive income attributed to:					
8710 Stockholders of the parent company		\$ 30,336	3	(\$ 15,844)	(1)
8720 Non-controlling interest		<u>4,906</u>	<u>-</u>	<u>(35,514)</u>	<u>(3)</u>
		<u>\$ 35,242</u>	<u>3</u>	<u>(\$ 51,358)</u>	<u>(4)</u>
Earning((Losses) per share	6(35)				
9750 Basic		<u>\$ 0.52</u>	<u>(0.27)</u>	<u>(0.27)</u>	
9850 Diluted		<u>\$ 0.52</u>	<u>(0.27)</u>	<u>(0.27)</u>	

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

OFCO Industrial Corp. and Subsidiaries
Consolidated Statements of Changes Equity
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

		Equity attributed to the owners of parent-company									
		Retained Earnings					Other components of equity				
							Financial statements translation differences of foreign operations	Unrealised (losses) gains on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Notes		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
<u>January 1 to March 31, 2025</u>											
		\$ 1,006,697	\$ 1,110,464	\$ 51,123	\$ 14,827	\$ 35,692	\$ 373	(\$ 10,941)	\$ 2,208,235	\$ 393,631	\$ 2,601,866
		-	-	-	-	(27,653)	-	-	(27,653)	(35,514)	(63,167)
Other comprehensive income for January to March 2025	6(3)	-	-	-	-	-	-	11,809	11,809	-	11,809
Total consolidated profit and loss for January to March 2025		-	-	-	-	(27,653)	-	11,809	(15,844)	(35,514)	(51,358)
Appropriation of earnings 2024 :											
Cash dividends	6(25)	-	-	-	-	(20,134)	-	-	(20,134)	-	(20,134)
Balance as of March 31, 2025		<u>\$ 1,006,697</u>	<u>\$ 1,110,464</u>	<u>\$ 51,123</u>	<u>\$ 14,827</u>	<u>(\$ 12,095)</u>	<u>\$ 373</u>	<u>\$ 868</u>	<u>\$ 2,172,257</u>	<u>\$ 358,117</u>	<u>\$ 2,530,374</u>
<u>January 1 to March 31, 2026</u>											
		\$ 1,006,739	\$ 1,110,593	\$ 51,123	\$ 10,568	(\$ 142,165)	\$ 373	(\$ 44,569)	\$ 1,992,662	\$ 137,618	\$ 2,130,280
Net income for January to March 2026		-	-	-	-	52,535	-	-	52,535	4,906	57,441
Other comprehensive income for January to March 2026	6(3)	-	-	-	-	-	-	(22,199)	(22,199)	-	(22,199)
Total consolidated profit and loss for January to March 2026		-	-	-	-	52,535	-	(22,199)	30,336	4,906	35,242
Non-controlling interests participate in cash capital increase of subsidiaries		-	-	-	-	-	-	-	-	1,000	1,000
Balance as of March 31, 2026		<u>\$ 1,006,739</u>	<u>\$ 1,110,593</u>	<u>\$ 51,123</u>	<u>\$ 10,568</u>	<u>(\$ 89,630)</u>	<u>\$ 373</u>	<u>(\$ 66,768)</u>	<u>\$ 2,022,998</u>	<u>\$ 143,524</u>	<u>\$ 2,166,522</u>

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

OFCO Industrial Corp. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
Cash flows from operating activities			
Net loss before tax		\$ 85,193	(\$ 74,617)
Adjustments			
Income charges (credits)			
Loss (gain) on financial assets and liabilities measured at fair value through profit or loss	6(30)	(7,204)	3,735
Write-down reversal of inventories	6(6)	(971)	(4,421)
Net gain on disposal of office supplies	6(30)	-	(2,845)
Depreciation expense	6(8)(9)(11)(27)(32)	20,181	37,716
Gain on disposal of non-current assets held for sale	6(30)	(46,742)	-
Net (gain) loss on disposal of property, plant and equipment	6(30)	-	(133)
Gain on lease modification	6(9)(30)	-	(6,470)
Amortization expense	6(12)(32)	13,425	13,417
Unrealized concession revenue	6(12)	-	(4,376)
Interest income	6(28)	(714)	(1,244)
Interest expense	6(31)	17,982	14,808
Changes in assets/liabilities related to operating activities			
Changes in assets relating to operating activities net			
Financial assets at fair value through profit or loss - current		-	438
Notes receivable		(272)	(72)
Accounts receivable		(90,002)	(85,092)
Accounts receivable - related parties		24,986	37,021
Other receivables		26,773	11,975
Other receivables - related parties		1,595	(8,508)
Inventories		5,715	195,609
Pre-payments		(71,000)	(4,152)
Net defined benefit assets - non-current		-	25
Changes in liabilities relating to operating activities net			
Contract liability		(49,612)	97,366
Notes payable		309	1,218
Accounts payable		190,274	12,467
Accounts payable - related parties		15,517	(129,778)
Other payables		(19,282)	(41,737)
Other payables - related parties		5,835	(279)
Cash inflows (outflows) of business operations		121,986	62,071
Interest received		714	1,244
Interest paid		(17,102)	(12,403)
Income tax paid		(155)	(128)
Net cash inflows (outflows) from operating activities		105,443	50,784

(Continued)

OFCO Industrial Corp. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousand

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
Cash flows from investing activities			
Decrease in Financial Assets Carried at Cost - current		(\$ 6,522)	\$ 58,355
Proceeds from disposal of non-current assets held for sale	6(36)	40,865	-
Acquisition of financial assets at fair value through other comprehensive income - non-current		-	(336,000)
Decrease in financial Assets Carried at Cost - non-current		(122,125)	42,824
Cash paid for acquisition of property, plant and equipment	6(36)	(192)	(10,229)
Cash receipts from disposal of property, plant and equipment		-	24,741
Increase in intangible assets	6(12)	(853)	-
Increase in prepayments for equipment		(6,768)	(49,283)
Refundable deposits decrease		8,971	2,034
Increase in prepayments for investments		(200,000)	-
Other non-current assets - other increase		(148,538)	(107,693)
Net cash outflows from investing activities		(435,162)	(375,251)
Cash flows from financial activities			
Increase in short-term loans	6(37)	609,857	932,998
Decrease in short-term loans	6(37)	(516,799)	(704,336)
Short-term bills payable	6(37)	210,000	223,200
Redemption of short-term bills payable	6(37)	(210,000)	(164,600)
Other payable - related parties increase	6(37)	141,000	50,000
Repayments of lease liabilities principal	6(37)	(1,458)	(3,824)
Increase in long-term loans	6(37)	23,320	25,999
Decrease in long-term loans	6(37)	(69,529)	(30,964)
Increase in guarantee deposit received	6(37)	6,740	5,112
Advance receipt from employee stock options exercised		1,000	-
Net cash inflows from financing activities		194,131	333,585
Increase (decrease) in cash and cash equivalents		(135,588)	9,118
Cash and cash equivalents at beginning of period	6(1)	550,782	371,660
Cash and cash equivalents at end of period	6(1)	\$ 415,194	\$ 380,778

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

OFCO Industrial Corp. and Subsidiaries
Notes to consolidated financial statements
For the Three Months Ended March 31, 2026 and 2025

Unit: NT\$ thousand
(Unless otherwise specified)

1. History and Organisation

(1) OFCO Industrial Corp. (hereinafter referred to as “the Company”) was established on November 21, 1984 in accordance with the provisions of the Company Act. The main business scope includes the manufacturing of fastener screws and related products, metal heat treatment OEM and trading. For the major operating items of subsidiaries included in the consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as “the Group”), please refer to Note 4, (3) for the description of the basis of consolidation.

(2) The Company’s shares have been traded on the Taipei Exchange (TPEx) since May 1999.

2. The date of authorisation for issuance of the consolidates

These consolidated financial statements were submitted to the Board of Directors and issued on May 6, 2026.

3. Application of New and Revised International Financial Reporting Standards

(1) The impact from adopting the newly released and revised International Financial Reporting Standards recognized by the Financial Supervisory Commission (FSC)

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards (IFRS) became effective and recognized by the Financial Supervisory Commission in 2026:

<u>Newly released / corrected / amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Part of 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
IFRS 17 - “Insurance contracts”	January 1, 2023
Amendment to IFRS 17 - “Insurance contracts”	January 1, 2023
Amendment to IFRS 17 - “Initial application of IFRS 17 and IFRS 9 - Comparative information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS

Accounting Standards as endorsed by the FSC are as follows:

<u>Newly released / corrected / amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 10 and IAS28, “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 statement ‘	January 1, 2027(Note)
IFRS 19, Subsidiaries without public accountability:disclosures	January 1, 2027
Amendment to IAS 21“Translation to a Hyperinflationary Presentation Currency	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations do not have a material impact on the Company’s financial position and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’:

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4.Summary of significant accounting policies

Except for the declaration of compliance, basis of preparation, basis of consolidation and applicable parts of interim financial statements, the major accounting policies are the same as those in Note 4 to the consolidated financial statements in 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

A. The consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting”, as approved by the FSC.

B. This consolidated financial report should be read together with the 2025 Consolidated Financial Report.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- ① Financial assets at fair value through profit or loss (including derivatives).
- ② Financial assets at fair value through other comprehensive income.
- ③ The defined benefit asset is recognized as the net of the present value of the defined benefit obligation of the pension fund.

B. The preparation of consolidated financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretative Pronouncements as endorsed by the FSC (collectively referred herein as the

“IFRSs”) requires the use of certain critical accounting estimates. The application of the Company’s accounting policies also requires management to exercise its judgment in the process of applying those policies that involve a higher degree of judgment or complexity, or items that involve significant assumptions and estimates in the consolidated financial statements. Please refer to Note 5 for a description of significant accounting judgments, estimates and key sources of assumption uncertainty.

(3) Basis of consolidation

A. The basis for preparation of consolidated financial statements

The preparation principle of this consolidated financial report is the same as that of the consolidated financial report of the 2025.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
OFCO Industrial Corp.	TSG Transport Corp.	Container rental, transportation and packing services	100.00	100.00	100.00	-
OFCO Industrial Corp.	TSG Environmental Technology Corp.	Recycling of materials, waste disposal services, etc.	100.00	100.00	100.00	-
OFCO Industrial Corp.	TSG POWER Corp.	Energy technology services	100.00	100.00	100.00	-
OFCO Industrial Corp.	Yung Fu Co., Ltd.	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects.	54.73	54.89	54.89	(Note 1)
OFCO Industrial Corp.	Openness Specialty Materials Corp. Ltd.	Precision chemical material manufacturing, Other fabricated metal products manufacturing	-	-	-	(Note 2)

Name of Investor	Name of Subsidiary	Main Business	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
TSG Transport Corp.	Yung Fu Co., Ltd.	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects.	0.27	0.27	0.27	(Note 1)
TSG Environmental Technology Corp.	Yung Fu Co., Ltd.	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects.	0.42	0.42	0.42	(Note 1)

(Note 1) The subsidiary, Yung Fu Co., Ltd., resolved by its Board of Directors on December 17, 2025 to increase cash capital by issuing 100 thousand new shares. The Group's ownership interest decreased as it did not subscribe to the new shares proportionately.

(Note 2) In March 2026, the Group participated in the cash capital increase of Openness Specialty Materials Corp., Ltd. and acquired 20,000 thousand shares for a total consideration of \$200,000 thousand, representing a 71% ownership interest. As of March 31, 2026, because the capital increase procedures had not yet been completed, the amount was recognized under 'Prepayments for investments'.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustment and treatment of different accounting periods of subsidiaries: None.

E. Significant limitations: None.

F. Subsidiaries with non - controlling interests that are significant to the Group:

- ① The total non-controlling interests of the Group as of March 31, 2026, December 31, 2025 and March 31, 2025 were \$143,524, \$137,618 and \$358,117, respectively. Information about non-controlling interests and subsidiaries that are material to the Group is as follows:

Name of Subsidiary	Main place of business	Non-controlling interests			
		March 31, 2026		December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Yung Fu Co., Ltd.	Taiwan	\$143,524	44.58%	\$137,618	44.42%

Name of Subsidiary	Main place of business	Non-controlling interests	
		March 31, 2025	
		Amount	Ownership (%)
Yung Fu Co., Ltd.	Taiwan	\$358,117	44.42%

② Subsidiary - Yung Fu Co., Ltd. summary financial information:

Balance Sheet

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 1,203,166	\$ 934,823	\$ 746,809
Non-current assets	1,834,200	1,601,422	1,787,093
Current liabilities	(2,115,121)	(1,618,534)	(1,146,229)
Non-current liabilities	(596,162)	(603,634)	(577,217)
Total net assets	<u>\$ 326,083</u>	<u>\$ 314,077</u>	<u>\$ 810,456</u>

Statement of Comprehensive Income

	January to March of 2026	January to March of 2025
Revenue	<u>\$ 506,455</u>	<u>\$ 155,263</u>
Net income(loss) before tax	\$ 17,233	(\$ 100,219)
Income tax benefit	(6,228)	20,251
Net loss	<u>\$ 11,005</u>	<u>(\$ 79,968)</u>
Total comprehensive income	<u>\$ 11,005</u>	<u>(\$ 79,968)</u>
Total comprehensive income attributed to non-controlling interest	<u>\$ 4,906</u>	<u>(\$ 35,514)</u>

Statements of Cash Flows

	January to March of 2026	January to March of 2025
Net cash out-flow from operation activities	(\$ 47,554)	(\$ 15,351)
Net cash out-flow from investing activities	(266,842)	(160,862)
Net cash in-flow from financing activities	<u>306,122</u>	<u>160,081</u>
Decrease in cash and cash equivalents	(8,274)	(16,132)
Balance of cash and cash equivalents, beginning of period	<u>65,935</u>	<u>58,552</u>
Balance of cash and cash equivalents, end of period	<u>\$ 57,661</u>	<u>\$ 42,420</u>

(4) Employee benefits

Pension - Defined Benefit Plan

The pension cost for the interim period is calculated using the actuarially determined pension cost rate from the beginning of the year to the end of the current period as of the end of the previous financial year. If there are significant market changes and material curtailments, liquidations or other significant one-time events after such closing, they will be adjusted and the relevant information will be disclosed in accordance with the aforementioned policy.

(5) Income tax

Income tax expense for the interim period is calculated by applying the estimated average annual effective tax rate to the income before income tax for the interim period and disclosing the related information in accordance with the accounting policies.

5. Critical Accounting Judgements and Key Sources of Estimation and Uncertainty

There is no significant change in the current period, please refer to Note 5 to the consolidated financial statements in 2025.

6. Summary of Significant Accounting Items

(1) Cash and Cash Equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash:			
Cash on hand	\$ 4,778	\$ 1,972	\$ 945
Checking accounts and demand deposits	<u>410,416</u>	<u>548,810</u>	<u>379,833</u>
	<u>415,194</u>	<u>550,782</u>	<u>380,778</u>

- A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group transferred demand deposits, time deposits and repurchase bonds which items are the pledged collateral, \$438,166, \$309,519 and \$253,494 on March 31, 2026, December 31, 2025 and March 31, 2025 respectively under the headings of “Financial assets at amortized cost - current” and “Financial assets at amortized cost - non-current”.
- C. The Group pledged cash and cash equivalents as collateral (listed as “Financial assets at amortized cost - current” and “Financial assets at amortized cost - non-current”), please refer to Note 8 statements on pledged assets.

(2) Financial Assets at Fair Value through Profit or Loss

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current item:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 21,762	\$ 22,513	\$ 17,064
Emerging stocks	<u>21,900</u>	<u>23,445</u>	<u>32,865</u>
	<u>\$ 43,662</u>	<u>\$ 45,958</u>	<u>\$ 49,929</u>
Non-current item:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks - Private placement	\$ 257,300	\$ 247,800	\$ 226,250
Call options of bonds	<u>-</u>	<u>-</u>	<u>416</u>
	<u>\$ 257,300</u>	<u>\$ 247,800</u>	<u>\$ 226,666</u>

A. The Group recognized net (loss) income of \$7,024 and (\$3,670) for January to March of 2026 and 2025, respectively. (listed as “Other gains and losses”)

B. In November 2023, the Group subscribed a total 5,000 of thousand shares of King House Co., Ltd. (formerly named Ensure Global Corp., Ltd.) through private placement, and the transfer of the private placement stock is restricted within three years.

C. The Group has not pledged any financial assets at fair value through profit or loss.

D. For related credit risk information, please refer to Note 12, (2) Financial Instruments.

(3) Financial Assets at Fair Value through other Comprehensive Income or Loss

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current item:			
Equity instrument			
Listed stocks	<u>\$ 29,702</u>	<u>\$ 23,816</u>	<u>\$ 25,965</u>
Non-current item:			
Equity instrument			
Listed stocks - Private placement	\$ 385,299	\$ 419,690	\$ 456,603
Unlisted stocks	<u>30,346</u>	<u>24,040</u>	<u>30,415</u>
	<u>\$ 415,645</u>	<u>\$ 443,730</u>	<u>\$ 487,018</u>

A. The Group has chosen to invest in equity instruments that are strategic investments. Investments are classified as financial assets measured at fair value through other comprehensive income or loss. The Group’s maximum exposure to credit risk is its book value without taking into account collateral held or other credit enhancements.

B. The breakdown of FVOCI recognized in profit or loss and comprehensive income or loss is as follows:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	(\$ <u>22,199</u>)	\$ <u>11,809</u>

C. In December 2024, the Group subscribed a total of 7,000 thousand shares of Datavan International Corporation through private placement, and the transfer of the private placement stock is restricted with three years.

D. In February 2025, the Group subscribed a total of 15,000 thousand shares of China Fineblanking Technology Co., Ltd. through private placement, and the transfer of the private placement stock is restricted with three years.

E. The Group not pledged financial assets measured at fair value through other comprehensive income.

F. For related credit risk information, please refer to Note 12, (2) Financial Instruments.

(4) Financial Assets Carried at Cost

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Pledged demand deposits	\$ 241,668	\$ 177,841	\$ 168,992
Pledged time deposits	<u>26,600</u>	<u>83,905</u>	<u>18,320</u>
	<u>\$ 268,268</u>	<u>\$ 261,746</u>	<u>\$ 187,312</u>

Non-current items:

Pledged demand deposits	<u>\$ 169,898</u>	<u>\$ 47,773</u>	<u>\$ 66,182</u>
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A. The Group interest income recognized in profit or loss due to financial assets measured by amortized cost from January to March of 2026 and 2025 were \$460 and \$129, respectively (listed as "Interest income").

B. Financial assets held at amortized cost that best represent the Group, without regard to collateral held or other credit enhancements, as at March 31, 2026, December 31, 2025 and March 31, 2025, the amount of the risk exposure with the largest credit risk was its book value.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group provided financial assets measured by amortized cost as pledge guarantees. Please refer to Note 8 illustrate.

D. For information on credit risk of financial assets measured by amortized cost, please refer to Note 12, (2) Description of Financial Instruments. The Group's investment in time deposit certificates is a financial institution with good credit quality, and the possibility of default is expected to be low.

(5) Notes and Accounts Receivable - Net

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes Receivable	<u>\$ 312</u>	<u>\$ 40</u>	<u>\$ 90</u>
Accounts Receivable	\$ 406,868	\$ 316,866	\$ 470,540
Less: Loss Allowance	<u>(23)</u>	<u>(23)</u>	<u>(23)</u>
	<u>\$ 406,845</u>	<u>\$ 316,843</u>	<u>\$ 470,517</u>

A. The aging analysis of Notes and Accounts Receivable (including related parties) is as follows:

	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Not Past Due	\$ 312	\$ 469,411	\$ 40	\$ 392,271
Within 60 days past due	-	8,364	-	20,122
61-180 days past due	-	1	-	521
Within 181-365 days past due	<u>-</u>	<u>163</u>	<u>-</u>	<u>9</u>
	<u>\$ 312</u>	<u>\$ 477,939</u>	<u>\$ 40</u>	<u>\$ 412,923</u>

	<u>March 31, 2025</u>	
	<u>Notes Receivable</u>	<u>Accounts Receivable</u>
Not Past Due	\$ 90	\$ 551,630
Within 60 days past due	-	20,376
61-180 days past due		406
Within 181-365 days past due	<u>-</u>	<u>4</u>
	<u>\$ 90</u>	<u>\$ 578,416</u>

The above is an aging analysis based on the number of overdue days.

- B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balances of Notes Receivable and Accounts Receivable were generated from customer contracts, and the balance of accounts receivable from customer contracts was \$530,363 as of January 1, 2025.
- C. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that the best represents the Group's notes receivable and accounts receivable were book value.
- D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group did not hold any collaterals as guarantees for Notes and Accounts Receivable.
- E. Please refer to Note 12, (2) for the credit risk information of the related Notes and Accounts Receivable.
- F. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had not pledged any Notes and Accounts Receivable as collateral.

(6) Inventories

March 31, 2026			
	Cost	Allowance to reduce Inventory to market	Carrying Value
Work in process	\$ 37,176	(\$ 5,716)	\$ 31,460
Finished goods	<u>32,331</u>	<u>(1,576)</u>	<u>30,755</u>
	<u>\$ 69,507</u>	<u>(\$ 7,292)</u>	<u>\$ 62,215</u>
December 31, 2025			
	Cost	Allowance to reduce inventory to market	Carrying Value
Work in process	\$ 42,208	(\$ 6,219)	\$ 35,989
Finished goods	<u>33,014</u>	<u>(2,044)</u>	<u>30,970</u>
	<u>\$ 75,222</u>	<u>(\$ 8,263)</u>	<u>\$ 66,959</u>
March 31, 2025			
	Cost	Allowance to reduce Inventory to market	Carrying Value
Merchandise	\$ 54	\$ -	\$ 54
Raw materials	167,326	(26,103)	141,223
Work in process	60,732	(7,343)	53,389
Finished goods	<u>57,396</u>	<u>(2,861)</u>	<u>54,535</u>
	<u>\$ 285,508</u>	<u>(\$ 36,307)</u>	<u>\$ 249,201</u>

The cost of inventories recognized as losses by the Corporate Group:

	January to March of 2026	January to March of 2025
Cost of goods sold	\$ 438,789	\$ 995,421
Gain from price recovery of inventory (Note)	(971)	(4,421)
Loss on physical inventory	1,027	1,201
Revenue from sale of scraps	<u>-</u>	<u>(3,652)</u>
	<u>\$ 438,845</u>	<u>\$ 988,549</u>

(Note) From January to March of 2026 and 2025, the recognized gain from price recovery of inventory is caused by the Group's sale of some inventories that were originally listed as loss for market price decline and obsolete and slow-moving inventories.

(7) Prepayments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Advance payment	\$ 515,985	\$ 371,933	\$ 203,017
Prepaid expenses	37,528	142,756	197,270
Tax credit	65,992	68,851	71,954
Supplies inventory	53,256	54,741	44,460
Others(individually less than 5%)	43,805	7,285	51,384
	<u>\$ 716,566</u>	<u>\$ 645,566</u>	<u>\$ 568,085</u>

(8) Property, Plant and Equipment

	Land	Buildings	Machinery & equipment	Transportation equipment	Office equipment	Leasehold improvements	Lease equipment	Other equipment	Total
<u>January 1, 2026</u>									
Cost	\$ 14,251	\$ 12,804	\$ 120,975	\$ 337,580	\$ 9,716	\$ 4,503	\$ 724,331	\$ 140,845	\$ 1,365,005
Accumulated Depreciation	-	(4,297)	(62,164)	(42,522)	(5,911)	(2,942)	(461,783)	(103,445)	(683,064)
Accumulated Impairment	-	-	(30,945)	-	-	-	(6,934)	(17,976)	(55,855)
	<u>\$ 14,251</u>	<u>\$ 8,507</u>	<u>\$ 27,866</u>	<u>\$ 295,058</u>	<u>\$ 3,805</u>	<u>\$ 1,561</u>	<u>\$ 255,614</u>	<u>\$ 19,424</u>	<u>\$ 626,086</u>
<u>January to March of 2026</u>									
January 1	\$ 14,251	\$ 8,507	\$ 27,866	\$ 295,058	\$ 3,805	\$ 1,561	\$ 255,614	\$ 19,424	\$ 626,086
Add - Cost	-	-	-	192	-	-	-	-	192
Transfer In of Prepaid Equipment Cost	-	-	-	22,979	-	-	-	-	22,979
Depreciation Expense	-	(317)	(652)	(6,643)	(262)	(187)	(8,799)	(1,344)	(18,204)
Transfer to non- current assets held for sale	-	-	-	-	-	-	(90,007)	-	(90,007)
Reclassification - Accumulated Depreciation (Note)	-	-	-	-	-	-	77,769	-	77,769
Reclassification - Accumulated Impairment (Note)	-	-	-	-	-	-	1,021	-	1,021
March 31	<u>\$ 14,251</u>	<u>\$ 8,190</u>	<u>\$ 27,214</u>	<u>\$ 311,586</u>	<u>\$ 3,543</u>	<u>\$ 1,374</u>	<u>\$ 235,598</u>	<u>\$ 18,080</u>	<u>\$ 619,836</u>

March 31, 2026

Cost	\$ 14,251	\$ 12,804	\$ 129,975	\$ 360,751	\$ 9,716	\$ 4,503	\$ 634,324	\$ 140,845	\$ 1,298,169
Accumulated Depreciation	-	(4,614)	(62,816)	(49,165)	(6,173)	(3,129)	(392,813)	(104,789)	(623,499)
Accumulated Impairment	-	-	(30,945)	-	-	-	(5,913)	(17,976)	(54,834)
	<u>\$ 14,251</u>	<u>\$ 8,190</u>	<u>\$ 27,214</u>	<u>\$ 311,586</u>	<u>\$ 3,543</u>	<u>\$ 1,374</u>	<u>\$ 235,598</u>	<u>\$ 18,080</u>	<u>\$ 619,836</u>

(Note) Please refer to Note 6, (14) Transfer to non-current assets held for sale

	Land	Buildings	Machinery & equipment	Transportation equipment	Office equipment	Leasehold improvements	Lease equipment	Other equipment	Total
<u>January 1, 2025</u>									
Cost	\$ 107,155	\$ 97,826	\$ 1,142,182	\$ 209,567	\$ 21,516	\$ 175,627	\$ -	\$ 221,911	\$ 1,975,784
Accumulated Depreciation	-	(75,455)	(465,891)	(26,930)	(16,150)	(121,731)	-	(132,092)	(838,249)
Accumulated Impairment	-	-	(2,276)	-	-	(4,651)	-	(407)	(7,334)
	<u>\$ 107,155</u>	<u>\$ 22,371</u>	<u>\$ 674,015</u>	<u>\$ 182,637</u>	<u>\$ 5,366</u>	<u>\$ 49,245</u>	<u>\$ -</u>	<u>\$ 89,412</u>	<u>\$ 1,130,201</u>

January to March of 2025

January 1	\$ 107,155	\$ 22,371	\$ 674,015	\$ 182,637	\$ 5,366	\$ 49,245	\$ -	\$ 89,412	\$ 1,130,201
Add - Cost	-	483	-	286	-	698	-	6,249	7,716
Transfer In of Prepaid Equipment Cost	-	322	-	8,680	-	1,932	-	2,436	13,370
Depreciation Expense	-	(870)	(14,272)	(4,524)	(282)	(2,441)	(3,333)	(7,856)	(33,578)
Disposal-Cost	-	-	(2,318)	(229)	(238)	(264)	-	(47,583)	(50,632)
Disposal-	-	-	2,225	229	146	264	-	23,160	26,024

Accumulated Depreciation Reclassification - cost (Note)	(92,904)	(85,828)	(564,229)	-	-	(173,490)	774,381	(36,662)	(178,732)
Reclassification - Accumulated Depreciation (Note)	-	72,980	331,756	-	-	121,526	(469,299)	16,017	72,980
Reclassification - Accumulated Impairment (Note)	<u>-</u>	<u>-</u>	<u>2,276</u>	<u>-</u>	<u>-</u>	<u>4,651</u>	<u>(6,934)</u>	<u>7</u>	<u>-</u>
March 31	<u>\$ 14,251</u>	<u>\$ 9,458</u>	<u>\$ 429,453</u>	<u>\$ 187,079</u>	<u>\$ 4,992</u>	<u>\$ 2,121</u>	<u>\$ 294,815</u>	<u>\$ 45,180</u>	<u>\$ 987,349</u>
<u>March 31, 2025</u>									
Cost	\$ 14,251	\$ 12,803	\$ 575,635	\$ 218,304	\$ 21,278	\$ 4,503	\$ 774,381	\$ 146,351	\$ 1,767,506
Accumulated Depreciation	-	(3,345)	(146,182)	(31,225)	(16,286)	(2,382)	(472,632)	(100,771)	(772,823)
Accumulated Impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,934)</u>	<u>(400)</u>	<u>(7,334)</u>
	<u>\$ 14,251</u>	<u>\$ 9,458</u>	<u>\$ 429,453</u>	<u>\$ 187,079</u>	<u>\$ 4,992</u>	<u>\$ 2,121</u>	<u>\$ 294,815</u>	<u>\$ 45,180</u>	<u>\$ 987,349</u>

(Note) Transferred to “Investment property, net”.

- A. As of March 31, 2026, December 31, 2025 and March 31, 2025, parts of the property, plant and equipment were for operating lease.
- B. The Group's did not capitalize any borrowing costs from January to March 2026 and 2025.
- C. Information on the pledge of property, plant and equipment by the Group is described in Note 8.
- D. Please refer to Note 6, (15) for the accumulated impairment loss on non-financial assets.

(9) Leasing arrangements - lessee

- A. The subject assets of the Group's leases are buildings and business vehicles and print machine and land, and the lease contracts are usually for periods ranging from 2 to 20 years. Lease agreements are individually negotiated and contain various terms and conditions without any special restrictions.
- B. The lease period of the Group's leased underlying assets such as business vehicles, parking spaces, stackers and staff dormitories does not exceed 12 months, and the leased assets with low value are air cleaners and print machines, etc.
- C. The book value of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 292	\$ 241	\$ 324
Buildings	13,539	14,546	17,566
Transport Equipment (business vehicles)	<u>1,323</u>	<u>1,602</u>	<u>1,410</u>
	<u>\$ 15,154</u>	<u>\$ 16,389</u>	<u>\$ 19,300</u>
		<u>January to March 2026</u>	<u>January to March 2025</u>
		<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land		\$ 32	\$ 28
Buildings		1,007	3,350
Transport Equipment (business vehicles)		<u>279</u>	<u>484</u>
		<u>\$ 1,318</u>	<u>\$ 3,862</u>

- D. The additions to the Group's right-of-use assets were \$83 and \$- for January to March of 2026 and 2025, respectively.
- E. The information on profit or loss items related to lease contracts is as follows:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 199	\$ 508
Expenses for short-term lease contracts	1,668	2,393
Lease of low-value assets	702	465
Fees for variable lease payments	235	1,065
Lease modification benefit	-	(6,470)

F. The Group's total rental cash outflows for January to March 2026 and 2025 were \$4,262 and \$8,255, respectively.

G. In determining lease terms, the Company takes into consideration all the facts and circumstances that create economic incentives to exercise an option to extend or terminate lease. The assessment of lease period is reviewed if a significant event occurs which affects the assessment of options to extend or options not to terminate. Based on the assessment of the exercise or not exercise of the right to lease renewal, the Company's right-of-use assets and lease liabilities from January to March 2026 and 2025 were reduced by \$- and \$-, \$88,366, \$94,836 respectively, and lease modification benefits of \$- and \$6,470 were recognized (listed as "Other gains and losses").

H. Impact of variable lease payments on lease liabilities:

The asset for which the subsidiaries, Yung Fu Co., Ltd. and TSG POWER Corp. adopt variable lease payments in the lease contracts are linked to the power generation revenue and publicly announced land price. The variable valuation of the lease assets is based on the revenue from power generation, area and publicly announced price of the land, and is recognized as an expense in the period when the payment conditions are triggered.

(10) Leasing arrangements - lessor

A. The Group leases various assets including lands, buildings, machinery equipment and other equipment, etc., (listed as "Property, Plant and Equipment" and "Investment property, net"), rental contracts are made from March 2025 to February 2028, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. For preserve the use of the leased assets, the lessee is usually required not to sublease, lend, transfer, mortgage or guarantee the leased assets. This contract is expected to be terminated unconditionally by the end of May 2026. Please refer to Note 11 Material Events After the Balance Sheet Date

B. Based on the operating lease agreement, the three months ended March 31, 2026 and the three months ended March 31, 2025, the Group recognized rent income in the amounts of \$15,391 and \$5,122 (listed as "Net other income and expenses"), which does not include variable lease payments. There were no cases from January to March of 2026.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current year	\$ 46,047	\$ -	\$ 46,047
Next 1 years	61,397	61,397	61,397
Next 2 years	10,232	61,397	61,397
Next 3 years	-	10,232	10,232
Total	<u>\$ 117,676</u>	<u>\$ 133,026</u>	<u>\$ 179,073</u>

(11) Investment property - net

	Land	Buildings	Total
<u>January 1, 2026</u>			
Cost	\$ 125,356	\$ 85,828	\$ 211,184
Accumulated depreciation	-	(75,399)	(75,399)
	<u>\$ 125,356</u>	<u>\$ 10,429</u>	<u>\$ 135,785</u>
<u>January to March of 2026</u>			
January 1	\$ 125,356	\$ 10,429	\$ 135,785
Depreciation Expense	-	(659)	(659)
March 31	<u>\$ 125,356</u>	<u>\$ 9,770</u>	<u>\$ 135,126</u>
<u>March 31, 2026</u>			
Cost	\$ 125,356	\$ 85,828	\$ 211,184
Accumulated depreciation	-	(76,058)	(76,058)
	<u>\$ 125,356</u>	<u>\$ 9,770</u>	<u>\$ 135,126</u>
<u>January 1, 2025</u>			
	Land	Buildings	Total
Cost	\$ 32,452	\$ -	\$ 32,452
Accumulated depreciation	-	-	-
	<u>\$ 32,452</u>	<u>\$ -</u>	<u>\$ 32,452</u>
<u>January to March of 2025</u>			
January 1	\$ 32,452	\$ -	\$ 32,452
Transfer - Cost	92,904	85,828	178,732
-Accumulated depreciation	-	(72,980)	(72,980)
Depreciation Expense	-	(276)	(276)
March 31	<u>\$ 125,356</u>	<u>\$ 12,572</u>	<u>\$ 137,928</u>
<u>March 31, 2025</u>			
Cost	\$ 125,356	\$ 85,828	\$ 211,184
Accumulated depreciation	-	(73,256)	(73,256)
	<u>\$ 125,356</u>	<u>\$ 12,572</u>	<u>\$ 137,928</u>

- A. The investment real estate of the Group's is the lands of Sushuangziping Section in Dingzhonggu Section of Jinshan District, New Taipei City and Shancheng Section of Jinshan District, and the lands and buildings of plant in Qiaotou Dist., Kaohsiung City. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are as follows:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Rental income from the lease of the investment property	\$ <u>4,260</u>	\$ <u>1,412</u>
Direct operating expenses arising from the investment property that generated income during the year	\$ <u>659</u>	\$ <u>276</u>
Direct operating expenses arising from the investment property that did not generate income during the year	\$ <u>-</u>	\$ <u>-</u>

- B. The fair value of investment properties held by the Group were \$605,071, \$587,285 and \$976,658 as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, which was evaluated based on the recorded amount of real estate transactions in the neighboring areas and was determined to be Level 3 fair value.
- C. For the information about investment property pledged to others as of March 31, 2026, December 31, 2025 and March 31, 2025, please refer to Note 8. for the explanation of pledged assets.

(12) Intangible Assets

	<u>Concession</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Total</u>
<u>January 1, 2026</u>				
Cost	\$ 881,250	\$ 17,662	\$ 19,003	\$ 917,915
Accumulated amortization	(<u>110,252</u>)	(<u>8,268</u>)	<u>-</u>	(<u>118,520</u>)
	<u>\$ 770,998</u>	<u>\$ 9,394</u>	<u>\$ 19,003</u>	<u>\$ 799,395</u>
<u>January to March of 2026</u>				
January 1	\$ 770,998	\$ 9,394	\$ 19,003	\$ 799,395
Additions — Acquired separately	-	853	-	853
Amortization expense	(<u>12,047</u>)	(<u>1,378</u>)	<u>-</u>	(<u>13,425</u>)
March 31	<u>\$ 758,951</u>	<u>\$ 8,869</u>	<u>\$ 19,003</u>	<u>\$ 786,823</u>
<u>March 31, 2026</u>				
Cost	\$ 881,250	\$ 18,515	\$ 19,003	\$ 918,768
Accumulated amortization	(<u>122,299</u>)	(<u>9,646</u>)	<u>-</u>	(<u>131,945</u>)
	<u>\$ 758,951</u>	<u>\$ 8,869</u>	<u>\$ 19,003</u>	<u>\$ 786,823</u>
	<u>Concession</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Total</u>
<u>January 1, 2025</u>				
Cost	\$ 878,368	\$ 17,362	\$ 19,003	\$ 914,733

Accumulated amortization	(62,047)	(2,820)	-	(64,867)
	<u>\$ 816,321</u>	<u>\$ 14,542</u>	<u>\$ 19,003</u>	<u>\$ 849,866</u>
<u>January to March of 2025</u>				
January 1	\$ 816,321	\$ 14,542	\$ 19,003	\$ 849,866
Service concession agreement obtained	4,376	-	-	4,376
Amortization expense	(12,049)	(1,368)	-	(13,417)
March 31	<u>\$ 808,648</u>	<u>\$ 13,174</u>	<u>\$ 19,003</u>	<u>\$ 840,825</u>
<u>March 31, 2025</u>				
Cost	\$ 882,744	\$ 17,362	\$ 19,003	\$ 919,109
Accumulated amortization	(74,096)	(4,188)	-	(78,284)
	<u>\$ 808,648</u>	<u>\$ 13,174</u>	<u>\$ 19,003</u>	<u>\$ 840,825</u>

A. The information on amortization of intangible assets are as follows:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Operating costs	\$ 12,113	\$ 12,103
Amortization expenses	7	4
Administrative expenses	<u>1,305</u>	<u>1,310</u>
	<u>\$ 13,425</u>	<u>\$ 13,417</u>

B. The subsidiary - Yung Fu signed the “Rehabilitate, Operate and Transfer of Waste Incineration Plant in Kanding Pingtung County” with the Pingtung County Government (hereinafter collectively referred to as “both parties”) in the form of ROT (Rehabilitate, Operate and Transfer) for construction and labor services. Both parties agreed to follow the Act for Promotion of Private Participation in Infrastructure Projects and regulations formulated by the relevant competent authorities to have the subsidiary Yung Fu handle the construction and operation. The operation period is 20 years, and the operating assets and operating rights are returned to Pingtung County Government when the operation period expires. The important information is summarized as follows:

- ① The subsidiary - Yung Fu shall be responsible for the construction of the incineration plant and the maintenance and management of various facilities and equipment during the operation period, and promises to properly dispose of waste within the scope of processing capacity.
- ② During the operation period, the subsidiary - Yung Fu shall calculate the remuneration for operation and maintenance to be collected from the Pingtung County Government and the land rent, waste disposal fee, price change royalties, electricity sales increase royalties and other fees payable to the county government based on the contract terms.
- ③ The subsidiary - Yung Fu should invest in and complete the renovation project during the period of renovation and operation, and promise to invest no less than \$967,382. Before the deadline for renovation works (December 31, 2024), the subsidiary - Yung

Fu should invest at least \$560,000 in the renovation area of the project designated by the Pingtung County Government. In the event that the contract expires due to the expiration of the period, or is terminated early due to reasons attributable to the Yung Fu, the subsidiary shall unconditionally pay the shortfall of the committed investment amount to the Pingtung County Government.

- ④ The subsidiary - Yung Fu recognizes the rights to sell electricity and dispose of waste from the provision of construction and service upgrades and the renovation cost to be committed in the future as intangible assets and revenue (listed as “operating revenue”) from service concession, respectively in accordance with the provisions of IFRIC 12 “Service Concession Arrangements”.

C. The Group did not capitalize any interests of the intangible assets from January to March, 2026 and 2025.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Corporate Group had not provided intangible asset as pledged collaterals.

(13) Other non-current assets

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments for incinerator equipment maintenance	\$ 400,565	\$ 250,265	\$ 362,769
Others	5,376	7,138	18,215
	<u>\$ 405,941</u>	<u>\$ 257,403</u>	<u>\$ 380,984</u>

The Group did not recognize or reverse any impairment loss from January to March, 2026 and 2025. As of March 31, 2026, December 31, 2025 and March 31, 2025, the accumulated impairment loss recognized on the Group’s non-financial assets were \$178,498, \$178,498 and \$-.

(14) Non-current assets held for sale, net

	Machinery & equipment	Lease equipment	Total
January 1, 2026	<u>\$ 68,337</u>	<u>\$ 9,463</u>	<u>\$ 77,800</u>
<u>January to March, 2026</u>			
January 1	\$ 68,337	\$ 9,463	\$ 77,800
Reclassification from property, plant and equipment to non-current assets held for sale	-	11,217	11,217
	<u>(63,583)</u>	<u>(20,653)</u>	<u>(84,236)</u>
March 31	<u>\$ 4,754</u>	<u>\$ 27</u>	<u>\$ 4,781</u>
March 31, 2026	<u>\$ 4,754</u>	<u>\$ 27</u>	<u>\$ 4,781</u>

There were no cases in January to March of 2025.

- A. In consideration of changes in production models and equipment obsolescence, the Group agreed with the lessee to dispose of certain machinery and equipment. Following the execution of sales contracts in the first quarter of 2026, the related equipment with a carrying amount of \$20,680 was reclassified to "non-current assets held for sale, net." As of March 31, 2026, the Group had received \$750 of advance receipts. Additionally, ownership transfers for \$20,653 of these assets were completed, generating disposal proceeds of \$17,400.
- B. To optimize operational efficiency and maintenance costs, the Board of Directors resolved on July 2, 2025, to dispose of certain machinery and equipment of the subsidiary, TSG Energy Co., Ltd. Consequently, equipment with a carrying amount of \$276,225 was reclassified to 'non-current assets held for sale, net.' The Group subsequently executed sales contracts between August and September 2025, transferring the solar photovoltaic equipment and associated rights with an effective date of June 30, 2025. As of December 31, 2025, and March 31, 2026, the Group had received \$94,838 and \$3,975 in advance receipts, respectively. As of March 31, 2026, accumulated ownership transfers of \$271,471 were completed, generating total disposal proceeds of \$448,894.
- C. Please refer to Note 12(3) for relevant information on fair value.

(15) Impairment of non-financial assets

- A. For the three months ended March 31, 2026 and 2025, the Group did not recognize or reverse any impairment losses.
- B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the accumulated impairment on non-financial assets was \$233,332, \$234,353 and \$7,334, respectively.

(16) Short-term loans

Type of borrowings	Maturity period	Interest Rate	March 31, 2026	Collateral
Guaranteed bank loans	2026.4.2~ 2027.1.30	2.29%~ 3.62%	\$ 893,826	Demand deposits, land, buildings & construction and investment property
Unsecured bank loans	2026.4.7~ 2026.9.30	2.29%~ 2.50%	112,000	None
Others	2027.1.13~ 2027.3.19	4.00%	100,000	Please refer to Note 7 Related party transaction.
			<u>\$ 1,105,826</u>	
Type of borrowings	Maturity period	Interest Rate	December 31, 2025	Collateral
Guaranteed bank loans	2026.1.9~ 2026.12.2	1.95%~ 3.62%	\$ 826,943	Demand deposits, time deposits, land, buildings & construction and investment property
Unsecured bank loans	2026.2.6~	2.40%~	135,825	None

	2026.6.29	2.50%		
Others	2026.4.21	4.00%	50,000	Please refer to Note 7 Related party transaction.
			<u>\$ 1,012,768</u>	
Type of borrowings	Maturity period	Interest Rate	March 31, 2025	Collateral
Guaranteed bank loans	2025.4.7~ 2025.12.2	2.23%~ 3.36%	\$ 730,874	Demand deposits, land, buildings & construction and investment property
Unsecured bank loans	2025.4.2~ 2025.7.2	2.43%~ 2.45%	147,710 <u>\$ 878,584</u>	None

The interest expense recognized in profit or loss from January to March of 2026 and 2025 is described in Note 6, (31) Financial costs.

(17) Short-term bills payable

Nature of borrowing	March 31, 2026	Interest Rate	Collateral
Commercial paper	\$ 80,000	2.55%~2.79%	Demand deposits, time deposits
Less: Unamortized discount	(70)		
	<u>\$ 79,930</u>		
Nature of borrowing	December 31, 2025	Interest Rate	Collateral
Commercial paper	\$ 80,000	2.55%~2.77%	Demand deposits, time deposits
Less: Unamortized discount	(41)		
	<u>\$ 79,959</u>		
Nature of borrowing	March 31, 2025	Interest Rate	Collateral
Commercial paper	\$ 173,200	2.37%~2.72%	Demand deposits, time deposits and machinery & equipment
Less: Unamortized discount	(200)		
	<u>\$ 173,000</u>		

A. The above commercial papers were issued by Union Bank of Taiwan, International Bills Finance Corporation and China Bills Finance Corporation under guarantee for short-term liquidity purposes.

B. Interest expense recognized in profit or loss from January to March of 2026 and 2025 is described in Note 6, (31) Financial costs.

(18) Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Salary payable	\$ 39,353	\$ 48,328	\$ 41,155
Collection for others	16,551	16,497	897
Labor and Health			
Insurance Payable	5,447	4,867	5,990
Business Tax Payable	1,354	7,411	4,148
Dividends Payable	-	-	20,134
Processing fees payable	-	-	19,312
Others (Less than 5%)	27,413	28,017	78,493
	<u>\$ 90,118</u>	<u>\$ 105,120</u>	<u>\$ 170,129</u>

(19) Bonds payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured convertible bonds	\$ -	\$ -	\$ 354,253
Less: Discount on bonds payable	-	-	(3,943)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,310</u>

A. In September 2022, the Company issued the domestic fourth series unsecured convertible bonds, the main terms of which are as follows:

- ① The Company was approved by the competent authority to raise and issue the fourth series domestic unsecured convertible bonds with a total amount of \$351,750 (related issuance cost of \$3,695), with a coupon rate of 0% and a maturity period of 3 years from September 30, 2022 to September 30, 2025. The convertible bonds are repayable in cash at 102.2669% of the face value of the bonds upon maturity.
- ② From the day following the expiration of three months after the date of issuance of the Bonds (December 31, 2022) to the maturity date (September 30, 2025), the holders of the Bonds may request the conversion of the Bonds into common shares of the Company at any time, except during the period when the transfer of the Bonds is suspended in accordance with the regulations or the law and the rights and obligations of the converted common shares shall be the same as those of the original issued common shares.
- ③ The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in relevant laws. If the conversion price is subsequently adjusted in accordance with the pricing model stipulated in the relevant laws due to the Company's anti-dilution policy, the conversion price will be reset in accordance with the pricing model stipulated in the relevant laws on the base date of the relevant laws, and will not be adjusted if it is higher than the conversion price before the reset in the current year.
- ④ In accordance with the provisions of the relevant laws and regulations, all bonds repossessed (including those bought back through the TPEx), repaid or converted by

the Company will be cancelled, and all rights and obligations attached to the bonds will be extinguished and will not be issued.

- B. Upon the issuance of convertible bonds, the Company separated the conversion rights of equity from the components of liabilities in accordance with IAS 32, “Financial Instruments: Presentation” and recorded “Additional paid-in capital -bonds Share Options” at \$13,784. As of March 31, 2026, December 31, 2025, and March 31, 2025, the balances of the above “Additional paid-in capital - bonds Share Options” were \$-, \$- and \$13,643, respectively, after the issue, repurchase of bonds and the exercise of conversion rights by creditors in accordance with the conversion method. In accordance with IFRS 9, “Financial Instruments”, the embedded repurchase and resale rights are separated from the economic characteristics and risks of the principal debt instruments and are recorded as “Financial assets or liabilities at fair value through profit or loss - non-current” on the net basis. The effective interest rate of the master contract debt after the separation was 2.24%.
- C. The convertible bonds have been fully repaid or converted.
- D. Interest expense recognized in profit or loss for January to March, 2026 and 2025 is described in Note 6, (31) Financial costs.

(20) Long-term loans

Nature of borrowing	Maturity Date Range	Interest Rate	March 31, 2026	Collateral
Guaranteed bank loans	2028.7.9~ 2030.1.16	2.58%~ 2.62%	\$ 120,072	Demand deposits
Unsecured bank loans	2036.12.27	2.69%	606,479	None
			726,551	
Less: Portion due within one year or one business cycle			(97,247)	
			<u>\$ 629,304</u>	
Nature of borrowing	Maturity Date Range	Interest Rate	December 31, 2025	Collateral
Guaranteed bank loans	2026.3.2~ 2030.1.16	2.58%~ 2.75%	\$ 152,177	Demand deposits
Unsecured bank loans	2036.12.27	2.69%	620,583	None
			772,760	
Less: Portion due within one year or one business cycle			(120,324)	
			<u>\$ 652,436</u>	
Nature of borrowing	Maturity Date Range	Interest Rate	March 31, 2025	Collateral
Guaranteed bank loans	2026.3.2~ 2038.8.9	2.58%~ 2.94%	\$ 256,124	Demand deposits and machinery & equipment
Unsecured bank loans	2029.12.27	2.69%	662,896	None
			919,020	
Less: Portion due within one year or one business cycle			(202,107)	
			<u>\$ 716,913</u>	

The interest expense recognized in profit or loss from January to March of 2026 and 2025 is described in Note 6, (31) for the financial Costs.

(21) Pensions

- A. The Group has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its subsidiaries contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. However, the Company suspended its contributions to the Labor Pension Fund until March 31, 2026, as approved by the competent authority. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March. The Company reached an agreement with all regular employees prior to the enforcement of the Labor Pension Act on July 1, 2005 to settle the service years under the old labor pension system in accordance with the Labor Standards Act and the Labor Pension Act, and applied to the Labor Affairs Bureau, Kaohsiung City Government for the approval of the cancellation of the Labor Pension Reserve Fund and the collection of the remaining funds in accordance with the Article 9 of the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds on December 23, 2025.
- B. Effective July 1, 2005, the Group has established a "Defined contribution pension plan" in accordance with the "Labor Pension Act", which is applicable to employees of the Company. Under the New Plan, the Company contributes monthly an amount not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group recognized pension costs of \$2,943 and \$1,706 from January to March of 2026 and 2025, respectively, based on the above pension plan.

(22) Share capital

- A. A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period is as follows: (in thousands of shares)

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Number of shares at the beginning and ending balance of the period	<u>100,674</u>	<u>100,670</u>

- B. As of March 31, 2026, the Company's total authorized capital was \$4,000,000 (\$96,000 of

the total shares were reserved for conversion of employee stock options) and the paid-in capital was \$1,006,739, divided into 100,674 thousand shares of NT\$10 each. All proceeds from shares issued have been collected.

(23) Additional Paid-in Capital

January to March of 2026						
	Issuance Premium	The difference between the actual acquisition or disposal of equity in a subsidiary and its book value	Bonds stock options	Employee stock options	Others	Total
Beginning and ending balance	\$ 938,235	\$ 165,548	\$ -	\$ -	\$ 6,810	\$ 1,110,593
January to March of 2025						
	Issuance Premium	The difference between the actual acquisition or disposal of equity in a subsidiary and its book value	Bonds stock options	Employee stock options	Others	Total
Balance of January 1	\$ 913,323	\$ 165,548	\$ 13,643	\$ 11,209	\$ 6,741	\$ 1,110,464
Current reclassification	3,758	-	-	(3,758)	-	-
Balance of March 31	\$ 917,081	\$ 165,548	\$ 13,643	\$ 7,451	\$ 6,741	\$ 1,110,464

In accordance with the Company Act, any capital reserve arising from additional paid-in capital of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of additional paid-in capital to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(24) Share-based payment to employees

A. On October 21, 2020, the Company issued 3,000 units of compensatory stock option plan at a subscription price of \$21.6 (in dollars) per share, which was set up based on not lower than the market price of the Company's common stock on the grant date, and the number of shares of common stock to be subscribed per unit of stock options is 1,000. If there is a change in the shares of the Company's common stock after the issuance of the stock options, the price is adjusted according to a specific formula. As of the end date of the validity period (October 20, 2025), the subscription price for employee stock options has been adjusted to \$16.6 (in dollars). The stock options issued are valid for a period of 5 years, and employees may exercise their stock options in annual installments after 2 years of employment from the issuance date in accordance with the employee stock option plan. Among them, 913 thousand shares were awarded to the employees of subsidiaries over a 3-year period.

- ① The number of options and the weighted-average exercise price of the stock option plan for compensated employees from January to March, 2025 disclosed as follows:

Share Options	January to March of 2025	
	Number (units)	Weighted average exercise price (NT\$)
Outstanding at the beginning and end of the period	349	\$ 16.6
Options exercisable at the end of the period	349	16.6
Options approved and outstanding at the end of the period	-	-

This situation will not occur from January to March 2026.

- ② The fair value of the Company's stock option plan was estimated using the Black-Scholes option valuation model, and the related information is as follows:

	October 21, 2020
Date of granting	
Stock Price (NT\$)	\$ 21.35
Performance Price (NT\$)	21.60
Dividend Rate	0%
Expected price volatility	27.97%
Risk-free interest rate	0.2285%
Expected duration	5 years
Fair value per unit (per share)	NT\$5.24

(25) Retained earnings

- A. Legal reserve may not be used except to offset losses or to issue new shares or cash in proportion to the shareholders' original shares, provided that the amount of new shares or cash issued shall be limited to the portion of the reserve that exceeds 25% of the paid-in capital.
- B. In accordance with the Company's original Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, and then set 10% of the remaining amount aside as legal reserve (except when the legal reserve has already reached the total capital), and the remainder, if any, shall be distributed as dividends to shareholders resolved by the Company's shareholders at the shareholders' meeting. On June 11, 2025, shareholders during their meeting resolved that the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, and then set 10% of the remaining amount aside as legal reserve (except when the legal reserve has already reached the paid-in capital), and the remainder, if any, shall be

distributed as dividends to shareholders resolved by the Company's shareholders at the shareholders' meeting. The Company's dividend policy is based on the Company's future capital budget plan to measure the capital requirements for future years, and the remaining earnings will be distributed in the form of cash dividends only after the Company has decided to use retained earnings to meet the capital requirements. The Board of Directors shall prepare a proposal for the distribution of earnings in accordance with the order and rate of distribution of earnings as provided for in these Articles of Incorporation, and the proposal shall be approved by the shareholders during their meeting.

The surplus distribution in the preceding paragraph, in accordance with Article 240, Item 5 of the Company Law, authorizes the board of directors to present at least two-thirds of the directors and a resolution of more than half of the directors present to distribute all or part of the dividends and bonuses to be paid in cash, and report to the shareholders meeting.

The Company considers a balanced and stable dividend policy and, depending on the demand for investment capital and the dilution of earnings per share, dividends to shareholders should be 50% to 100% of accumulated distributable earnings and should be paid in the form of appropriate stock dividends or cash dividends, with cash dividends to be distributed at no less than 50% of shareholders' dividends.

C. Special reserve

- ① When the Company distributes earnings, the Company is required by law to set aside a special reserve for the debit balance of other equity items as of the balance sheet date of the year in order to distribute the earnings.
- ② When the Company first adopted IFRSs, the special reserve of \$7,745 was provided for in accordance with FSC No. 1090150022 dated March 31, 2021. When the Company subsequently uses, disposes of or reclassifies the related assets, the Company reverses the percentage of the special reserve originally provided for.

- D. For 2024, respectively, the Company recognized cash dividends of distributed to owners amounting to \$20,134 (NT\$0.2 per share). For 2025, the Company generated accumulated losses, therefore the disclosure about the information of the distribution of earnings was not required.

(26) Operating revenue

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Customer contract revenue	\$ <u>1,168,014</u>	\$ <u>1,405,156</u>

A. Segmentation of revenue from contracts with customers.

The Group's revenue is recognized when the source is shifted at a point in time and as it is provided over time, revenue can be subdivided into the following major categories of goods or services:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Revenue from sales of screws	\$ 138,863	\$ 334,032
Revenue from scrap iron	320,427	621,095
Logistics and transport revenue	94,078	121,400

Contracting revenue	67,872	102,024
Revenue from electricity sales	804	60,472
Project revenue	367,816	-
Labor service operation revenue	33,283	4,974
Others	<u>39,625</u>	<u>62,881</u>
	<u>1,062,768</u>	<u>1,306,878</u>
Service concession arrangement:		
Revenue from electricity sales	57,993	58,747
Waste treatment revenue	40,678	29,213
Project revenue	-	4,376
Operating revenue	<u>6,575</u>	<u>5,942</u>
	<u>105,246</u>	<u>98,278</u>
	<u>\$ 1,168,014</u>	<u>\$ 1,405,156</u>
	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Cut-off point of revenue recognition		
Revenue recognized at a particular point in time	\$ 701,543	\$ 1,267,675
Revenue recognized gradually over time	<u>466,471</u>	<u>137,481</u>
	<u>\$ 1,168,014</u>	<u>\$ 1,405,156</u>

B. The Group recognized contract liabilities related to revenue from customer contracts as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1, 2025</u>
Contractual Asset- current	<u>\$ 3,103</u>	<u>\$ 3,103</u>	<u>\$ 3,103</u>	<u>\$ 3,103</u>
Contractual Liabilities - current and non-current:				
Unearned receipts	<u>\$ 34,956</u>	<u>\$ 84,568</u>	<u>\$ 148,274</u>	<u>\$ 50,908</u>

① The opening contract liabilities were recognized in income of \$301 and \$5,804 for January to March, 2026 and 2025, respectively.

② Outstanding long-term contracts:

For the date ended March 31, 2026, December 31, 2025 and March 31, 2025, the amortized contract costs of the unfulfilled part of the long-term contracts signed by the subsidiary of Yung Fu and customers were \$234,040, \$597,014 and \$638,799, respectively. The management expects that the amortized transaction price of the outstanding performance obligations as of March 31, 2026, December 31, 2025 and March 31, 2025, recognized as revenue in the next 2 to 4 years.

Except for the abovementioned contracts, all other contracts of the Group are contracts of less than one year or billed based on the actual operating quantity.

According to IFRS 15, there is no need to disclose the transaction price of the allocation of outstanding contractual obligations for these contracts.

(27) Net other income and expenses

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Other income - lease income	\$ 15,391	\$ 5,122
Other expenses - depreciation expense	(9,458)	(3,609)
	<u>\$ 5,933</u>	<u>\$ 1,513</u>

(28) Interest income

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Interest from bank deposits	\$ 65	\$ 408
Interest income from financial assets measured at amortized cost	460	129
Other interest incomes	189	707
	<u>\$ 714</u>	<u>\$ 1,244</u>

(29) Other income

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Insurance claims income	\$ -	\$ 4,047
Handling income	1,600	-
Directors' remuneration	2,185	-
Lease income	525	585
Other income	3,745	1,110
	<u>\$ 8,055</u>	<u>\$ 5,742</u>

(30) Other gains and losses

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Net (loss) gain on financial assets at fair value through profit or loss	\$ 7,204	(\$ 3,670)
Net gain (loss) on disposal of property, plant and equipment	-	133
Net gain on disposal of property, plant and equipment	46,742	-
Net foreign currency exchange gain	2,002	19,712
Gain arising from lease modifications	-	6,470
Net gain on disposal of office supplies	-	2,845
Other loss	(8,972)	(62)
	<u>\$ 46,976</u>	<u>\$ 25,428</u>

(31) Financial costs

	January to March of 2026	January to March of 2025
Interest expense		
Bank loans	\$ 13,977	\$ 12,339
Convertible bonds	-	1,955
Related parties loans	3,762	-
Lease liabilities	199	508
Others	44	6
	<u>\$ 17,982</u>	<u>\$ 14,808</u>

(32) Additional information on the nature of expenses

	January to March of 2026			January to March of 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits	<u>\$ 63,387</u>	<u>\$ 16,164</u>	<u>\$ 79,551</u>	<u>\$ 79,948</u>	<u>\$ 16,359</u>	<u>\$ 96,307</u>
Depreciation	<u>\$ 8,506</u>	<u>\$ 2,217</u>	<u>\$ 10,723</u>	<u>\$ 29,260</u>	<u>\$ 4,847</u>	<u>\$ 34,107</u>
Amortization expense	<u>\$ 12,113</u>	<u>\$ 1,312</u>	<u>\$ 13,425</u>	<u>\$ 12,103</u>	<u>\$ 1,314</u>	<u>\$ 13,417</u>

(33) Employee benefits expenses

	January to March of 2026			January to March of 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Salary expenses	\$ 54,968	\$ 14,055	\$ 69,023	\$ 69,955	\$ 13,751	\$ 83,706
Labor and health insurance expenses	4,763	935	5,698	6,630	1,201	7,831
Pension expense	2,461	482	2,943	1,144	562	1,706
Other personnel expenses	1,195	692	1,887	2,219	845	3,064
	<u>\$ 63,387</u>	<u>\$ 16,164</u>	<u>\$ 79,551</u>	<u>\$ 79,948</u>	<u>\$ 16,359</u>	<u>\$ 96,307</u>

- A. In accordance with the Company's original Articles of Incorporation, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1%~3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration. Employees' compensation will be distributed in the form of shares or cash. The Company may, by a resolution adopted by more than half vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders during their meeting. However, the original Articles of Incorporation was amended by resolution of the shareholders' meeting on June 11, 2025, to

stipulate that a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% ~ 3% for employees' compensation, of which no less than 0.1% of the annual profits shall be allocated as employees' compensation for rank-and-file employees, and shall not be higher than 3% for directors' and supervisors' remuneration.

The above-mentioned profit status for the year refers to the pre-tax profit prior to deducting compensation of employees and remuneration of directors.

B. The estimated employee compensation and directors' compensation for the period from January to March 2026 are \$704 and \$1,408 respectively. These amounts are recorded under salary expenses and are estimated based on the profit situation up to the current period, according to the percentages stipulated in the Articles of Association. No employee compensation or directors' compensation was estimated for the period from January to March 2025 due to operating losses.

Information on employees' remuneration and directors' remuneration approved by the Company's board meeting can be found on the MOPS.

(34) Income tax

A. Income tax benefit components:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Current income tax:		
Current tax on profits for the year	\$ 10,208	\$ 3,236
Unappropriated earnings	-	534
Overestimation of income tax of prior years"	(<u>1,622</u>)	<u>-</u>
Total current income tax	<u>8,586</u>	<u>3,770</u>
Deferred income tax:		
Generation and reversal of temporary differences	<u>19,166</u>	(<u>15,220</u>)
Income tax benefit	<u>\$ 27,752</u>	<u>(\$ 11,450)</u>

B. The Company's income tax has been approved by the tax authorities until 2024, and no administrative relief has been provided as of May 6, 2026.

(35) Earnings (loss) per share

	<u>January to March of 2026</u>		
	<u>Amount</u> <u>After tax</u>	<u>Weighted average</u> <u>share outstanding</u> <u>(thousand shares)</u>	<u>Earnings</u> <u>Per share</u> <u>(NT\$)</u>
<u>Basic and diluted earnings per share</u>			
Net income attributable to equity holders of the parent company for the period	\$ 52,535	100,674	\$ 0.52
<u>Diluted earnings per Share</u>			
Net income attributable to equity holders of the parent company for the period	\$ 52,535	100,674	
Effect of dilutive potential ordinary shares			
- Employee remuneration	-	53	
Net income attributable to equity holders of the parent company for the period (include effect of dilutive potential ordinary shares)	\$ 52,535	100,727	\$ 0.52

	<u>January to March of 2025</u>		
	<u>Amount</u> <u>After tax</u>	<u>Weighted average</u> <u>share outstanding</u> <u>(thousand shares)</u>	<u>Earnings</u> <u>Per share</u> <u>(NT\$)</u>
<u>Basic and diluted earnings per share</u>			
Net loss attributable to equity holders of the parent company for the period	(\$ 27,653)	100,670	(\$ 0.27)

Employee stock option and bonds payable of January to March 2025 had anti-dilution effect, therefore, it was excluded from the calculation of diluted earnings per share.

(36) Supplemental cash flow information

A. Operating and Investing activities with only partial cash receipts and payments:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
① Acquisition of property, plant and equipment	\$ 192	\$ 7,716
Add: Notes payable at beginning of period (including related parties)	-	2,775
Less: Other payables at the end of the period (including related parties)	-	(262)
Cash paid for acquisition of property, plant and equipment	\$ 192	\$ 10,229
② Disposal of supplies inventory (listed as "Pre-payments")	\$ -	\$ 28,548
Less: Notes receivable at end of period - related parties	-	(28,548)
Cash receipts from supplies inventory	\$ -	\$ -

③ Disposal of tooling (listed as “Other non-current assets - others”)	\$ -	\$ 24,391
Less: Notes receivable at end of period - related parties	-	(24,391)
Cash receipts from disposal of tooling	<u>\$ -</u>	<u>\$ -</u>
④ Gain on disposal of non-current assets held for sale	\$ 130,978	\$ -
Add: Advance receipts at beginning of period	(94,838)	-
Less: Advance receipts at the end of the period	<u>4,725</u>	<u>-</u>
Proceeds from disposal of non-current assets held for sale	<u>\$ 40,865</u>	<u>\$ -</u>

B. Investing and financing activities that do not affect cash flows:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
① Prepayments for equipment transferred to property, plant and equipment	<u>\$ 22,979</u>	<u>\$ 13,370</u>
② Property, plant and equipment transferred to investment property	<u>\$ -</u>	<u>\$ 105,752</u>
③ Property, plant and equipment transferred to non-current assets held for sale	<u>\$ 11,217</u>	<u>\$ -</u>
④ Prepaid expenses transferred to other non-current assets - others	<u>\$ -</u>	<u>\$ 3,952</u>
⑤ Unissued number of declared cash dividends	<u>\$ -</u>	<u>\$ 20,134</u>

(37) Changes in liabilities arising from financing activities

	Short-term loans	Short-term bills payable	Lease liabilities	Other payables - related parties	Long-term loans (including the due 1 year)	Guarantee deposits	Total liabilities arising from financing activities
January 1, 2026	\$ 1,012,768	\$ 79,959	\$ 16,924	\$ 440,000	\$ 772,760	\$ 48,842	\$ 2,371,253
Net change in financing cash flows	93,058	-	(1,458)	141,000	(46,209)	6,740	193,131
Other non-cash transactions	-	(29)	83	-	-	-	54
March 31, 2026	<u>\$ 1,105,826</u>	<u>\$ 79,930</u>	<u>\$ 15,549</u>	<u>\$ 581,000</u>	<u>\$ 726,551</u>	<u>\$ 55,582</u>	<u>\$ 2,564,438</u>

	Short-term loans	Short-term bills payable	Lease liabilities	Other payables - related parties	Bonds payable (including the due 1 year)	Long-term loans (including the due 1 year)	Guarantee deposits	Total liabilities arising from financing activities
January 1, 2025	\$ 649,922	\$ 114,414	\$ 118,254	\$ -	\$ 348,356	\$ 923,985	\$ 41,096	\$ 2,196,027
Net change in financing cash flows	228,662	58,600	(3,824)	50,000	-	(4,965)	5,112	333,585
Other non-cash transactions	-	(14)	(94,836)	-	1,954	-	-	(92,896)
March 31, 2025	<u>\$ 878,584</u>	<u>\$ 173,000</u>	<u>\$ 19,594</u>	<u>\$ 50,000</u>	<u>\$ 350,310</u>	<u>\$ 919,020</u>	<u>\$ 46,208</u>	<u>\$ 2,436,716</u>

7. Related party transaction

(1) Name and relationship

<u>Name of related party</u>	<u>Relationship with the Group</u>
Taiwan Steel Group United Co., Ltd.	Corporate director of the company
Chun Yu Works & Co., Ltd.	Other related parties
Chun Zu Machinery Industry	Other related parties
Chun Bang Precision Co., Ltd.	Other related parties
TMP Steel Corp.	Other related parties
Gloria Material Technology Corp	Other related parties
S-TECH Corp.	Other related parties
TSG sportsmarketing company limited	Other related parties
Golden Win Steel Industrial Corp.	Other related parties
TSG Engineering Corp.	Other related parties
JinZhiFu Asset Management Co., Ltd	Parent company of Taiwan Steel Group United Co., Ltd.
Guo, Ren - Hao	Other related parties

(2) Significant transactions with the related parties

A. Sale of goods

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Product sales:		
Gloria Material Technology Corp	\$ 88,629	\$ 188,563
Other related parties	<u>55,529</u>	<u>148,580</u>
	<u>\$ 144,158</u>	<u>\$ 337,143</u>

Transaction price: Negotiated price for both related and unrelated parties.

Collection terms (period): 15 to 90 days for related parties and 3 to 90 days for non-related parties by wire transfer or 60 to 90 days by letter of credit after the date of bill of lading.

B. Purchase of goods

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
Product Purchase:		
Chun Yu Works & Co., Ltd.	\$ 103,143	\$ 83,290
Other related parties	<u>2,827</u>	<u>2,841</u>
	<u>\$ 105,970</u>	<u>\$ 86,131</u>

Transaction price: Negotiated price for both related and unrelated parties.

Payment terms (period): The terms of purchase transactions from related parties are generally similar to those of general suppliers, with an average payment period of one to three months, but the payment period may be extended by mutual agreement depending on the availability of funds.

C. Property transaction

Disposal of supplies inventory (listed as “Pre-payments”)

	January to March of 2025	
	Price from disposal	(Losses) gains from disposal
Chun Yu Works & Co., Ltd.	\$ 52,939	\$ 2,845

There were no cases in January to March of 2026.

D. Tooling and repair costs (listed as “Operating costs” and “Other non-current assets - other”)

	January to March of 2026	January to March of 2025
Other related parties	\$ -	\$ 8,767

E. Packing expenses and other expenses (listed as “Operating costs” and “Operating expense”)

	January to March of 2026	January to March of 2025
Chun Yu Works & Co., Ltd.	\$ 11,297	\$ 8,731
Other related parties	-	657
	\$ 11,297	\$ 9,388

F. Rent income (listed as “Net other income and expenses”)

	January to March of 2026	January to March of 2025
Chun Yu Works & Co., Ltd.	\$ 15,391	\$ 5,122

Please refer to Note 6(10). for Leasing arrangements - lessor.

G. Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Gloria Material Technology Corp	\$ 37,395	\$ 56,246	\$ 53,931
Other related parties	33,676	39,811	53,945
	\$ 71,071	\$ 96,057	\$ 107,876

H. Other accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Chun Yu Works & Co., Ltd.	\$ 6,860	\$ 8,434	\$ 62,055
Other related parties	120	141	138
	\$ 6,980	\$ 8,575	\$ 62,193

I. Prepayments to suppliers

	March 31, 2026	December 31, 2025	March 31, 2025
Chun Yu Works & Co., Ltd.	\$ 2,973	\$ 2,974	\$ -
TSG Engineering Corp.	-	2,626	-
	<u>\$ 2,973</u>	<u>\$ 5,600</u>	<u>\$ -</u>

J. Accounts payable

	March 31, 2026	December 31, 2025	March 31, 2025
Chun Yu Works & Co., Ltd.	\$ 108,390	\$ 92,720	\$ -
Other related parties	414	567	2,297
	<u>\$ 108,804</u>	<u>\$ 93,287</u>	<u>\$ 2,297</u>

K. Other accounts payable

	March 31, 2026	December 31, 2025	March 31, 2025
Chun Yu Works & Co., Ltd.	\$ 11,833	\$ 13,211	\$ -
Other related parties	11,296	7,454	17,294
	<u>\$ 23,129</u>	<u>\$ 20,665</u>	<u>\$ 17,294</u>

L. Guarantee deposits received

	March 31, 2026	December 31, 2025	March 31, 2025
Chun Yu Works & Co., Ltd.	<u>\$ 10,233</u>	<u>\$ 10,233</u>	<u>\$ 10,233</u>

M. Financing provided to related parties - loans from related parties

	Balance of ending period	Interest expense
	March 31, 2026	January to March of 2026
JinZhiFu Asset Management Co., Ltd	<u>\$ 581,000</u>	<u>\$ 3,762</u>
	December 31, 2025	For the year ended of 2025
JinZhiFu Asset Management Co., Ltd	<u>\$ 440,000</u>	<u>\$ 6,781</u>
	March 31, 2025	January to March of 2025
JinZhiFu Asset Management Co., Ltd	<u>\$ 50,000</u>	<u>\$ -</u>

N. Related parties provided to endorsements and guarantees

	Balance of ending period	Handling expense
	March 31, 2026	January to March of 2026
Guo, Ren - Hao	<u>\$ 100,000</u>	<u>\$ -</u>
	December 31, 2025	For the year ended of 2025
Guo, Ren - Hao	<u>\$ 50,000</u>	<u>\$ -</u>

January to March of 2025: None such cases.

(3) Compensation of key management personnel

	January to March of 2026	January to March of 2025
Salary and other short-term employee benefits	\$ 4,261	\$ 4,176

8. Pledged asset

The breakdown of guarantees provided for the Group's assets is as follows:

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Pledged demand deposits (Note 1)	\$ 411,566	\$ 225,614	\$ 235,174	Performance bond, short-term borrowings, short-term bills payable and long-term loan guarantees
Pledged time deposits (Note 1)	26,600	83,905	18,320	Performance bond, short-term borrowings and short-term bills payable
Land (Note 2)	139,607	139,607	139,607	Performance bond and short-term borrowings
House and Building - net (Note 2)	14,151	14,770	17,034	Performance bond and short-term borrowings
Machinery & equipment (Note 2)	-	-	179,567	Short-term bills payable and long-term loan guarantees
	<u>\$ 591,924</u>	<u>\$ 463,896</u>	<u>\$ 589,702</u>	

(Note 1) Listed as "Financial assets at amortized cost - current" and "Financial assets at amortized cost - non-current".

(Note 2) Listed as "Property, plant and equipment".

9. Significant contingent liabilities and unrecognized commitments

- (1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had contracted but not yet paid capital expenditures of \$-, \$- and \$11,488, respectively, for the acquisition of property, plant and equipment.
- (2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had outstanding letters of credit for the purchase of raw materials for which letters of credit had been opened and not yet pledged amounted to \$-, \$- and \$7,843, respectively.
- (3) As of March 31, 2026, December 31, 2025 and March 31, 2025, the performance bond issued by the bank for the Group's for contracts of the subsidiary - Yung Fu Co., Ltd were \$465,093, \$465,093 and \$464,733, respectively.
- (4) As of March 31, 2026, the major contracts undertaken by the subsidiary - Yung Fu Co., Ltd are as follows:

<u>Name of Project Owner</u>	<u>Construction/Service Contract</u>	<u>Contract Amount</u>	<u>Contract Period</u>
Environmental Protection Bureau of Hsinchu City	Performance and preparation enhancement turnkey project for garbage recycling plant in Hsinchu City	\$ 662,085	2024.12.5 ~ 2026.11.30
Environmental	Contract operation and	Request for	2022.2.16 ~

Protection Bureau of Hsinchu City	management of garbage recycling plant in Hsinchu City	payment based on actual monthly volume processed	2042.2.15
Environmental Protection Bureau of Pingtung County	Renovate, operate, transfer (ROT) project of Kanding Waste Incineration Plant in Pingtung County (Note)	Request for payment based on actual monthly volume processed	2021.12.22~ 2041.12.21

(Note) Please refer to Note 6. (12) intangible assets.

10. Significant catastrophic losses

None such cases.

11. Material Events After the Balance Sheet Date

- A. On April 15, 2026, the Board of Directors approved a resolution to issue ordinary shares through a private placement for cash. The total number of shares to be issued under this private placement shall not exceed 30,000 thousand shares, with a par value of NT\$10 per share. This resolution is subject to the approval of the shareholders' meeting.
- B. On April 15, 2026, the Board of Directors approved a resolution to participate in the cash capital increase of its subsidiary, Yung Fu Co., Ltd. To repay borrowings and strengthen its financial structure, the subsidiary plans to issue up to 55,000 thousand new shares at an issuance price of NT\$12 per share. The Company intends to participate in this cash capital increase with a maximum investment amount of NT\$300,000 thousand to subscribe for an estimated 25,000 thousand shares.
- C. In consideration of its future operational planning, the Board of Directors approved a resolution on May 6, 2026, to mutually terminate early, effective by the end of May 2026, the lease agreement with a related party, Chun Yu Works & Co., Ltd., which was originally scheduled to expire in 2028.

12. Others

(1) Capital management

The Group's capital management objectives are to protect the Company's ability to continue as a going concern, to maintain an optimal capital structure to reduce the cost of capital, and to provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Types of financial instrument

For the types of the Group's financial instruments used, please refer to Note 6 and Note 12, (3) explanation of fair value information.

B. Risk management policies

- ① The Group's daily operations are subject to a number of financial risks, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

In order to reduce the adverse effect of uncertainty on the Group's financial performance, the Group enters into forward exchange rate contracts to hedge the exchange rate risk.

- ② Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, assessing and hedging financial risks by working closely with the Group's operating divisions.

C. Significant financial risks and degrees of financial risks

① Market risk

a. Foreign exchange risk

- (a) The Group's management has established a policy that requires the Group to manage its exposure to exchange rate risk relative to its functional currency. Hedging of its overall exchange rate risk should be performed through the Corporate Finance Department. Exchange rate risk is measured by using forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the expected collection of accounts receivable through highly probable expected transactions of Euro and US dollar expenses.
- (b) The Group uses forward exchange rate transactions to hedge its exposure to exchange rate risk, but does not meet all the criteria for hedge accounting and therefore accounts for financial assets or liabilities measured at fair value through profit or loss.
- (c) The Group engages in operations involving certain non-functional currencies (the functional currency of the Company and subsidiaries is the New Taiwan dollar) and is therefore subject to exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

March 31, 2026			
	Foreign currency (in thousand)	Exchange Rate	Book Value
(Foreign currency: Foreign currency)			
<u>Financial asset</u>			
<u>Monetary items</u>			
USD: NTD	\$ 1,747	32.00	\$ 55,904
EUR: NTD	3,283	36.71	120,519
December 31, 2025			
	Foreign currency (in thousand)	Exchange Rate	Book Value
(Foreign currency: Foreign currency)			
<u>Financial asset</u>			
<u>Monetary items</u>			
USD: NTD	\$ 3,135	31.43	\$ 98,533
EUR: NTD	1,424	36.90	52,546

	March 31, 2025		
	Foreign currency	Exchange	
	(in thousand)	Rate	Book Value
(Foreign currency: Foreign currency)			
<u>Financial asset</u>			
<u>Monetary items</u>			
USD: NTD	\$ 1,604	33.21	\$ 53,261
EUR: NTD	3,274	35.97	117,766

- a. The sensitivity analysis of foreign currency exchange rate risk is calculated mainly for foreign currency monetary items as of the end of the financial reporting period. If the New Taiwan dollar had strengthened /weakened by 1% against U.S. dollar and Euro, all other factors remaining constant, the Group's net income after tax would have increased/decreased by \$1,411 and \$1,368 for January through March of 2026 and 2025, respectively.
- b. Total exchange gain (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025 amounted to \$2,002 and \$19,712, respectively.

b. Price risk

- (a) The Group's equity instruments that are exposed to price risk are financial assets held at fair value through other comprehensive income. In order to manage the price risk of investments in equity instruments, the Group diversifies its investment portfolio in accordance with the limits set by the Group.
- (b) The Group invests primarily in equity instruments issued by domestic companies. The prices of these equity instruments are affected by the uncertainty of the future value of the underlying investments. If the price of these equity instruments had increased or decreased by 1%, with all other factors held constant, the benefit or loss to shareholders' equity from equity investments measured at fair value through other comprehensive income would have increased or decreased by \$3,010 and \$2,766 from January to March 2026 and 2025, respectively; as for the other comprehensive income classified as equity instruments at fair value through other comprehensive income, it have increased or decreased by \$4,453 and \$5,130 respectively.

c. Cash flow and fair value interest rate risk

The Group's borrowings are floating-rate financial instruments. Therefore, changes in market interest rates will cause the effective interest rates of debt-type financial instruments to change accordingly, resulting in fluctuations in their future cash flows. This risk is partially offset by cash and cash equivalents held at floating interest rates. With respect to the sensitivity analysis of interest rate risk, a 10% increase/decrease in borrowing rates, with all other factors held constant, would have increased/decreased net income by \$271 and \$302 from January to March 2026 and 2025, respectively, mainly due to the increase/decrease in interest expense as a result of floating rate borrowings.

② Credit risk

- a. The Group's credit risk is the risk of financial loss arising from the failure of customers or counterparties to financial instruments to meet their contractual obligations, mainly from the failure of counterparties to settle accounts receivable on collection terms.
- b. The management of credit risk is established with a Group perspective. In accordance with the internal credit policy, the Company and each new customer are required to manage and analyze the credit risk before setting the terms and conditions of payment and delivery. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- c. The Group adopts IFRS 9 to provide the following premise assumptions. When a contractual payment is more than 90 days past due according to the contractual payment terms, the credit risk of the financial asset is considered to have increased significantly since the original recognition.
- d. In accordance with credit risk management, the Group starts to assess impairment when contractual payments are overdue for a certain number of days in accordance with the contractual payment terms.
- e. The Group estimates the expected credit losses based on the loss ratio method and the allowance matrix by grouping the notes and accounts receivable of customers according to the credit terms, and adjusts the loss ratio based on historical and current information of a specific period to estimate the allowance for losses on notes and accounts receivable by taking into account the prospective future. The following is a summary of the changes in the allowance for losses on notes and accounts receivable for which the Group has adopted the simplified approach:

	January to March of 2026		
	Notes receivable	Accounts receivable	Total
Balance of beginning and ending period	\$ -	\$ 23	\$ 23
	January to March of 2025		
	Notes receivable	Accounts receivable	Total
Balance of beginning and ending period	\$ -	\$ 23	\$ 23

③ Liquidity risk

- a. Cash flow forecasting is a process whereby the Finance Department monitors the forecast of the Group's liquidity requirements to ensure that it has sufficient funds to meet its operational needs and maintains sufficient unspent borrowing commitments at all times so that the Group does not breach the relevant borrowing limits or terms.
- b. In the event that the Group holds surplus cash in excess of the working capital management requirements, the Group's Finance Department invests the surplus funds in interest-bearing demand deposits and time deposits in instruments of appropriate maturity or sufficient liquidity to meet the above forecast and to provide sufficient level of dispatch.

c. The Group's unutilized borrowings are shown as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate			
Mature within one year	\$ 774,687	\$ 578,175	\$ 710,824
Maturity of more than 1 year	<u>86,928</u>	<u>360,613</u>	<u>27,063</u>
	<u>\$ 861,615</u>	<u>\$ 938,788</u>	<u>\$ 737,887</u>

d. The following table shows the Group's non-derivative financial liabilities, grouped by the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

March 31, 2026	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years
Non-derivative financial liabilities:				
Short-term loans	\$1,119,618	\$ -	\$ -	\$ -
Short-term bills payable	80,000	-	-	-
Notes payable (including related parties)	1,866	-	-	-
Accounts payable (including related parties)	746,984	-	-	-
Other payables (including related parties)	694,247	-	-	-
Lease liabilities	4,213	4,346	4,313	4,050
Long-term loans (including current portion)	115,632	113,399	240,333	350,335
Guarantee deposits received	10,233	45,349	-	-
December 31, 2025	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years
Non-derivative financial liabilities:				
Short-term loans	\$1,022,207	\$ -	\$ -	\$ -
Short-term bills payable	80,000	-	-	-
Notes payable (including related parties)	1,557	-	-	-
Accounts payable (including related parties)	541,193	-	-	-
Other payables (including related parties)	565,785	-	-	-
Lease liabilities	4,838	4,494	5,100	4,410
Long-term loans (including current portion)	139,566	113,955	252,081	366,728
Guarantee deposits received	10,233	38,609	-	-

March 31, 2025	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years
Non-derivative financial liabilities:				
Short-term loans	\$ 885,422	\$ -	\$ -	\$ -
Short-term bills payable	173,200	-	-	-
Notes payable (including related parties)	8,840	-	-	-
Accounts payable (including related parties)	469,423	-	-	-
Other payables (including related parties)	237,423	-	-	-
Lease liabilities	6,694	4,113	7,381	4,410
Bonds payable	362,283	-	-	-
Long-term loans (including current portion)	223,824	201,102	236,607	68,137
Guarantee deposits received	10,233	35,975	-	-

e. The Group's non-derivative financial liabilities did not anticipate the cash flow of maturity analysis will occur significantly earlier, or actual amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available to the enterprise at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates and others are included in Level 1.

Level 2: The observable input value of assets or liabilities, directly or indirectly, except for those included in the quoted prices in Level 1. The fair value of the Group's investment in listed stocks - private placement (liquidity discount is between 6.44% and 15.89%) and call options of the convertible bonds are included in Level 2.

Level 3: Unobservable inputs to assets or liabilities. The fair value of the Group's investment in stock of private entity is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6, (11).

C. Expect for bonds payable (including those due within one year) paid as expected for cash flow of the balance sheet date of market interest rates discount is measured at present value, the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, financial assets at amortized cost - current, notes

receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortized cost - non-current, refundable deposits, short-term loans, short-term bills payable, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), long-term loans (including those due within one year) and guarantee deposit received) approximate their fair values.

- D. Financial instruments carried at fair value are classified according to the nature, characteristics and risks of the assets and liabilities and the basis of the fair value hierarchy. The related information is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Asset				
<u>Recurring fair value</u>				
Non-current assets held for sale	\$ -	\$ -	\$ 4,781	\$ 4,781
Financial assets at fair value through gain or loss				
Equity securities	\$ 43,662	\$ 257,300	\$ -	\$ 300,962
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 29,702	\$ 385,299	\$ 30,346	\$ 445,347
December 31, 2025	Level 1	Level 2	Level 3	Total
Asset				
<u>Recurring fair value</u>				
Non-current assets held for sale	\$ -	\$ -	\$ 77,800	\$ 77,800
Financial assets at fair value through gain or loss				
Equity securities	\$ 45,958	\$ 247,800	\$ -	\$ 293,758
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 23,816	\$ 419,690	\$ 24,040	\$ 467,546

March 31, 2025	Level 1	Level 2	Level 3	Total
Asset				
<u>Recurring fair value</u>				
Financial assets at fair value through gain or loss				
Equity securities	\$ 49,929	\$ 226,250	\$ -	\$ 276,179
Call options of corporate bonds	-	416	-	416
	<u>\$ 49,929</u>	<u>\$ 226,666</u>	<u>\$ -</u>	<u>\$ 276,595</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 25,965</u>	<u>\$ 456,603</u>	<u>\$ 30,415</u>	<u>\$ 512,983</u>

E. The methods and assumptions used by the Group to measure fair value are described below:

- ① The Group adopt market pricing as the input of fair value (i.e. Level 1), and the breakdown of the characteristics of the instrument is as follows:

	<u>Listed shares</u>	<u>Emerging stocks</u>
Market quoted price	Closing price	Average trading price

- ② Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- ③ The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- F. The valuation of derivative financial instruments is based on valuation models widely accepted by market participants, such as present discounted value techniques and option pricing models. The call options of corporate bonds are usually evaluated according to the binomial tree convertible bond model.

G. There was no transfer between Level 1 and Level 2 from January to March, 2026 and 2025.

H. The following table is the change of Level 3 financial instruments from January to March, 2026 and 2025:

	<u>January to March of 2026</u>	<u>January to March of 2025</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ 24,040	\$ 28,091
Benefits recognized in other comprehensive income	<u>6,306</u>	<u>2,324</u>
March 31	<u>\$ 30,346</u>	<u>\$ 30,415</u>

I. Financial Department is in charge of valuation procedures for fair value measurements being categorized within Level 2 and Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at March 31, 2026</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Unlisted shares	\$ 30,346	Market comparable companies	(1) Price to earnings ratio multiple	3.72%	The higher the multiple and control premium, the higher the fair value
			(2) Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Non-current assets held for sale (Note)	4,781	Replacement Cost Method	N/A	N/A	N/A

(Note) Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 24,040	Market comparable companies	(1) Price to earnings ratio multiple	2.89%	The higher the multiple and control premium, the higher the fair value
			(2) Discount for lack of marketability	30%	The higher the discount for lack of market- ability, the lower the fair value
Non-current assets held for sale (Note)	77,800	Replacement Cost Method	N/A	N/A	N/A

(Note) Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 30,415	Market comparable companies	(1) Price to earnings ratio multiple	3.78%	The higher the multiple and control premium, the higher the fair value
			(2) Discount for lack of marketability	30%	The higher the discount for lack of market- ability, the lower the fair value

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		March 31, 2026					
				<u>Recognized in profit or loss</u>		<u>Recognized in profit or loss</u>	
				<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
	<u>Input</u>	<u>Change</u>		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Financial assets							
Equity instrument	Price to earnings ratio multiple	± 5%	\$ -	\$ -	\$ 1,421	(\$ 1,421)	
	Discount for lack of marketability	± 10%	-	-	1,218	(1,218)	
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,639</u>	<u>(\$ 2,639)</u>	
		December 31, 2025					
				<u>Recognized in profit or loss</u>		<u>Recognized in profit or loss</u>	
				<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
	<u>Input</u>	<u>Change</u>		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Financial assets							
Equity instrument	Price to earnings ratio multiple	± 5%	\$ -	\$ -	\$ 1,106	(\$ 1,106)	
	Discount for lack of marketability	± 10%	-	-	948	(948)	
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,054</u>	<u>(\$ 2,054)</u>	
		March 31, 2025					
				<u>Recognized in profit or loss</u>		<u>Recognized in profit or loss</u>	
				<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
	<u>Input</u>	<u>Change</u>		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Financial assets							
Equity instrument	Price to earnings ratio multiple	±5%	\$ -	\$ -	\$ 1,393	(\$ 1,393)	
	Discount for lack of marketability	±10%	-	-	1,194	(1,194)	
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,587</u>	<u>(\$ 2,587)</u>	

13. Additional Disclosures

(In accordance with the regulations, only information from January to March 2026 is disclosed.)

(1) Significant transactions information

- A. Loans to others: Please refer to Table 1.
- B. Endorsement and guarantee for others: Please refer to Table 2.
- C. Marketable securities held at the end of the period: Please refer to Table 3.
- D. Purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to Table 4.
- E. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to Table 5.
- F. Business relationships and significant intercompany transactions between the parent company and subsidiaries: Please refer to Table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Table 7.

(3) Information on investments in China

None.

14. Segments Information

(1) General information

The management of the Group has identified the reportable segments based on the reported information used by operational decision makers in making decisions. There were no significant changes in the Group's corporate composition, the basis of segmentation and the basis of measurement of segment information during the period.

(2) Departmental information

Information on the reporting segments provided to the chief operating decision maker is shown as follows:

	January to March of 2026			
	Screw Manufacturing Department	Transportation Department	Environmental Business Department	Total
Net external revenue	\$ 138,863	\$ 165,432	\$ 863,719	\$ 1,168,014
Net internal revenue	-	3,652	1,167	4,819
Interest revenue	358	145	211	714
Depreciation and Amortization	12,157	6,691	14,758	33,606
Interest expense	2,039	1,922	14,021	17,982
Departmental net income (loss) before income taxes	18,017	(291)	67,467	85,193
Segment assets	1,581,622	761,468	3,323,533	5,666,623
Segment liabilities	456,887	384,150	2,659,064	3,500,101

	January to March of 2025			
	Screw Manufacturing Department	Transportation Department	Environmental Business Department	Total
Net external revenue	\$ 379,603	\$ 263,918	\$ 761,635	\$ 1,405,156
Net internal revenue	-	6,043	407	6,450
Interest revenue	1,023	50	171	1,244
Depreciation and Amortization	16,927	4,367	26,230	47,524
Interest expense	4,920	1,037	8,851	14,808
Departmental net income (loss) before income taxes	11,101	2,721	(88,439)	(74,617)
Segment assets	1,886,999	730,087	3,190,959	5,808,045
Segment liabilities	946,446	322,406	2,008,819	3,277,671

(3) Reconciliation of Segment Profit and Loss, Assets and Liabilities

The external revenue reported to the chief operating decision maker is measured in a manner consistent with the revenue in the consolidated statement of income, and the segment profit or loss, total assets and total liabilities provided to the chief operating decision maker are measured in a manner consistent with the Group's consolidated financial statements; therefore, no reconciliation is required.

OFCO Industrial Corp. and subsidiaries

Financing provided to others

January 1 to March 31, 2026

Table 1

Unit: NT\$ thousand

<u>Code</u>	<u>Lender</u>	<u>Borrower</u>	<u>Business relationship</u>	<u>Whether it is a related party</u>	<u>Maximum balance</u>	<u>Ending balance</u>	<u>Transaction Amounts</u>	<u>Interest Rate</u>	<u>Nature of financing provided (Note 1)</u>	<u>Business Transaction Amounts</u>	<u>Reason for the necessity of shortterm financing</u>	<u>Amount of recognized impairment loss</u>	<u>Collateral</u>		<u>Lending of funds to individual entities and limit of financing (Note 2)</u>	<u>Total limit of financing (Note 2)</u>	<u>Remarks</u>
													<u>Name</u>	<u>Value</u>			
0	OFCO Industrial Corp.	Yung Fu Co.,Ltd.	Other receivable - related party	Y	\$ 150,000	\$ 150,000	\$ 150,000	3% ~3.44%	2	\$ -	Business development needs	\$ -	-	\$ -	\$ 202,300	\$ 404,600	(Note 2)
1	TSG Transport Corp.	Yung Fu Co.,Ltd.	Other receivable - related party	Y	40,000	40,000	40,000	3.44%	2	\$ -	Business development needs	\$ -	-	\$ -	42,044	84,088	(Note 2)
2	TSG Power Corp.	Yung Fu Co.,Ltd.	Other receivable - related party	Y	20,000	20,000	20,000	3.44%	2	\$ -	Business development needs	\$ -	-	\$ -	6,302	12,604	(Note 2)

(Note 1) The nature of the loan and the meaning of the code are described as follows:

1. For entities with business transaction relationships.
2. For necessary short-term financing needs.

(Note 2) The maximum amount for total loan is 20% of its net value; the maximum amount for individual loans is as follows:

1. For entities with business transaction relationships: the amount shall not exceed the higher of the Company's purchase or sales amount in the most recent year or the current year as of the time of the loan.
2. For necessary short-term financing needs: the amount shall not exceed 10% of the Company's most recent audited or reviewed financial statements.

OFCO Industrial Corp. and subsidiaries

Provision of endorsements and guarantees to others

January 1 to March 31, 2026

Table 2

Unit: NT\$ thousand

<u>Party being endorsed/guaranteed</u>								<u>Ratio of</u> <u>Accumulated</u> <u>endorsements/</u> <u>guarantee amount to</u> <u>net worth of the</u> <u>endorser/guarantor</u> <u>company</u>	<u>Limit on total</u> <u>amount of</u> <u>endorsements/</u> <u>guarantee</u>	<u>Provision of</u> <u>endorsements/</u> <u>guarantee by</u> <u>parent company</u> <u>to subsidiary</u>	<u>Provision of</u> <u>endorsements/</u> <u>guarantee by</u> <u>subsidiary to</u> <u>parent company</u>	<u>Provision of</u> <u>endorsements/</u> <u>guarantee to party</u> <u>in Mainland China</u>	
<u>Endorser/guarantor</u>	<u>Company name</u>	<u>Relationship</u> <u>(Note 1)</u>	<u>Limit on</u> <u>endorsements/</u> <u>guarantees provided</u> <u>for a single party</u>	<u>Maximum</u> <u>balance during</u> <u>the period</u>	<u>Outstanding</u> <u>balance at</u> <u>March 31,2025</u>	<u>Actual amount</u> <u>drawn down</u>	<u>Amount of</u> <u>endorsements/</u> <u>guarantees</u> <u>secured with</u> <u>collateral</u>						<u>Remarks</u>
OFCO Industrial Corp.	Yung Fu Co.,Ltd.	3	\$ 202,300	\$ 200,000	\$ 200,000	\$ 190,000	\$ -	9.89%	\$ 809,199	Y	N	N	(Note 2)

(Note 1) The following code represents the relationship with the Company:

1. Trading partner.
2. Majority owned subsidiary.
3. The Company direct and indirect owns over 50% ownership of the investee company.
4. A subsidiary jointly owned over 90% by the Company.
5. Guaranteed by the Company according to the construction contract.
6. An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
7. Joint and several guaranteed by the Company according to the pre-construction contract under Consumer Protection Act.

(Note 2) The limit of total amount of endorsements shall not be higher of 40% of the Company's net worth, and the limit for a single party, except for the subsidiary owned over 90% by the Company shall not be higher of 20% of the Company's net worth, the others shall not be higher of 10% of the Company's net worth.

OFCO Industrial Corp. and Subsidiaries

Holding of Marketable Securities at the End of the Period (not Including Subsidiaries, Associates and Joint Ventures)

March 31, 2026

Table 3

Unit: NT\$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Item	Ending balance				Remarks
				Shares (thousands)	Carrying amount	Ownership (%)	Fair value	
OFCO Industrial Corp.	Stocks:							
	Chun Yu Works & Co., Ltd.	Other related parties	Financial assets at fair value through profit or loss - current	501	\$ 7,915	0.17%	\$ 7,915	-
	Gloria Material Technology Corp	Other related parties	Financial assets at fair value through profit or loss - current	436	13,847	0.07%	13,847	-
	Argo Yachts Development Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,500	21,900	1.07%	21,900	-
	King House Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	5,000	257,300	2.96%	257,300	-
	Taiwan Styrene Monomer Corporation	-	Financial assets at fair value through other comprehensive income or loss - non-current	2,688	29,702	0.51%	29,702	-
	TSG Development Co., Ltd. (formerly named Data Van International Corporation)	-	Financial assets at fair value through other comprehensive income or loss - non-current	7,000	77,700	4.80%	77,700	-
	China Fineblanking Technology Co., Ltd.	The Company is a legal entity director of OFCO Industrial Corp.	Financial assets at fair value through other comprehensive income or loss - non-current	13,000	266,586	12.17%	266,586	-
TSG Transport Corp.	Stocks:							
	Taiwan Steel Insurance Broker Co., Ltd. (formerly named Titan Insurance Broker Co., Ltd.)	-	Financial assets at fair value through other comprehensive income or loss - non-current	691	28,421	14.29%	28,421	-
	China Fineblanking Technology Co., Ltd.	The Company is a legal entity director of OFCO Industrial Corp.	Financial assets at fair value through other comprehensive income or loss - non-current	2,000	41,013	1.87%	41,013	-
TSG Environmental Technology Corp.	Stocks:							
	Taiwan Steel Insurance Broker Co., Ltd. (formerly named Titan Insurance Broker Co., Ltd.)	-	Financial assets at fair value through other comprehensive income or loss - non-current	60	1,925	1.24%	1,925	-

OFCO Industrial Corp. and subsidiaries

Related parties transactions for purchases and sales amounts exceeding the lower of \$100 million or 20 percent of capital stock

January 1 to March 31, 2026

Table 4

Unit: NT\$ thousand

<u>Company Name</u>	<u>Related Parties</u>	<u>Relationship</u>	<u>Transactions</u>				<u>Details of non-arm's length transaction</u>		<u>Notes and accounts receivable (payable)</u>		<u>Remarks</u>
			<u>Purchases (Sales)</u>	<u>Amount</u>	<u>Percentage of total amount purchase (Sales)</u>	<u>Term</u>	<u>Unit Price</u>	<u>Term</u>	<u>Balance</u>	<u>Percentage of total receivables (payable)</u>	
OFCO Industrial Corp.	Chun Yu Works & Co., Ltd.	Other related parties	Purchases	\$ 103,143	100%	Month end 30days	Not significantly different	Not significantly different	(\$ 108,390)	(99%)	-

OFCO Industrial Corp. and subsidiaries

Related parties transactions for purchases and sales amounts exceeding the lower of \$100 million or 20 percent of capital stock

March 31, 2026

Table 5

Unit: NT\$ thousand

<u>Company Name</u>	<u>Related Parties</u>	<u>Relationship</u>	<u>Overdue accounts receivable - related parties</u>			<u>Subsequent recovery amount of accounts receivable - related parties</u>			<u>Subsequent recovery amount of accounts receivable - related parties</u>		<u>Allowance Amount</u>
			<u>Item</u>	<u>Amount</u>	<u>Term</u>	<u>Amount</u>	<u>Treatment</u>				
OFCO Industrial Corp.	Yung Fu Co.,Ltd..	Subsidiary	Other receivables	\$ 150,000 -		\$ -	-		\$ -		\$ -

OFCO Industrial Corp. and subsidiaries
Significant inter-company transactions during the reporting periods
January 1 to March 31, 2026

Table 6

Unit: NT\$ thousand

Code (Note 1)	Transaction Company	Counterparty	Relationship with the counter-party (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)
				Items	Amounts	Transaction Terms		
0	OFCO Industrial Corp.	Yung Fu Co.,Ltd.	1	Endorsement/Guarantees	\$ 200,000	-		4%
				Other receivable	150,000	-		3%
1	TSG Transport Corp.	OFCO Industrial Corp.	2	Sales	3,202	Credit terms: 40 days		-
		Yung Fu Co.,Ltd.	3	Other receivable	40,000	-		1%
2	TSG Power Corp.	Yung Fu Co.,Ltd.	3	Other receivable	20,332	-		-

(Note 1) Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the numbers should be filled in as follows:

1. The parent company should fill in 0.
2. Subsidiaries are numbered by company, starting from the Arabic numeral 1.

(Note 2) There are three types of relationships with the counter-parties, and the types can be indicated as follows:

1. Parent company to subsidiary company.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(Note 3) In calculating the percentage, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenue for income statement accounts.

(Note 4) Intercompany transactions between the parent company and its subsidiaries or between subsidiaries are not disclosed repetitively since the circumstances and amounts of each transaction is the same on each side.

In addition, the disclosure threshold for significant intercompany transactions is \$3 million.

(Note 5) Please refer to Note 4, (3) for the description of the basis of consolidation.

OFCO Industrial Corp. and subsidiaries
Names, locations and other information of investee companies (not including investees in China)
January 1 to March 31, 2026

Table 7

Unit: NT\$ thousand

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Shares held as at March 31, 2026			Income (loss) of investees for the period	Income (loss) on investment recognized in the period	Remarks
				End of the current period	End of Last Year	Number of shares	Ratio (%)	Carrying Amount			
OFCO Industrial Corp.	TSG Transport Corp	Taiwan	Container rental, transportation and packing services, etc.	\$250,000	\$250,000	37,400,000	100%	\$421,410	\$2,580	\$2,580	Subsidiary
	TSG Environmental Technology Corp.	Taiwan	Recycling of materials, waste disposal services, etc.	40,000	40,000	4,000,000	100%	83,060	4,726	4,726	Subsidiary
	TSG Power Corp.	Taiwan	Energy technology services	24,554	194,554	2,300,000	100%	63,019	33,006	33,006	Subsidiary
	Yung Fu Co.,Ltd.	Taiwan	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects	427,305	427,305	18,276,624	54.73%	182,058	11,005	6,099	Subsidiary
TSG Transport Corp	Yung Fu Co.,Ltd.	Taiwan	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects	2,380	2,380	91,496	0.27%	1,411	11,005	-	Subsidiary (Note)
TSG Environmental Technology Corp.	Yung Fu Co.,Ltd.	Taiwan	Commissioned operation and management of waste and business waste incineration plants and planning, design and turnkey services for small and medium-sized incinerator projects	3,637	3,637	139,865	0.42%	2,362	11,005	-	Subsidiary (Note)

(Note) According to the related regulations, it is not required to disclose investment income (loss) recognized by the Company.