

**CHUN YU WORKS & CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2026 AND 2025**

For the convenience of readers and for information purpose only, the auditors' review 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' review report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chun Yu Works & Co., Ltd.

Introduction

We have reviewed the consolidated balance sheets of Chun Yu Works & Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2026 and 2025 and the related consolidated statements of comprehensive income, of changes in equity and of cash flow statements for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies. The management is responsible for the preparing and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the financial statements based on the result of reviews.

Scope of Review

Except as discussed in the following paragraph, 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" of the Republic of China. A review of 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.

Basis of Qualified Conclusion

Certain the non-significant subsidiaries' financial statements which are included in the consolidated financial statements mentioned above, and the relevant information disclosed in note 13 were not reviewed. These subsidiaries' total assets were NT\$1,496,793 thousand and NT\$1,537,571 thousand respectively, accounting for 13% and 12% of the total consolidated assets respectively; the total liabilities were NT\$430,728 thousand and NT\$483,960 thousand respectively, accounting for 6% of the total consolidated liabilities as of March 31, 2026 and 2025; the total comprehensive income were NT\$35,526 thousand, NT\$6,946 thousand, respectively, accounting for 96% and 15% of the total consolidated comprehensive income for the three-month periods ended March 31, 2026 and 2025, respectively.

Qualified Conclusion

According to our reviews and the review report of other accountants (please refer to Miscellaneous), except that the financial statements of some of the non-significant subsidiaries and the relevant information disclosed in note 13 as mentioned in Basis of Qualified Conclusion, if reviewed by us, may lead to adjustments to the consolidated financial statements, it is not found that the consolidated financial statements above have not been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and promulgated by the Financial Supervisory Commission which may lead to the inability to properly express the consolidated financial status of Chun Yu Group as of March 31, 2026 and 2025 and the consolidated financial performance and consolidated cash flow for the three-month periods ended March 31, 2026 and 2025.

Other Matter

The financial statements of PT. Moon Lion Industries Indonesia for the three-month periods ended March 31, 2026 and 2025 and the relevant information disclosed in note 13 were not reviewed by us, but by other accountants. Therefore, the amounts listed in the financial statements of the subsidiary and the relevant information disclosed in note 13 of the review report issued by us on the consolidated financial statements above are based on the review reports of other accountants. Total assets on March 31, 2026 and 2025 were NT\$1,604,302 thousand and NT\$1,453,371 thousand respectively, accounting for 14% and 12% of the total consolidated assets; net operating income were NT\$516,020 thousand and NT\$427,609 thousand respectively, accounting for 29% and 21% of the total consolidated comprehensive income for the three-month periods ended March 31, 2026 and 2025, respectively.

Chung-Yu, Tien

Independent Accountants

Huei-Yu, Hsu

PricewaterhouseCoopers, Taiwan

Republic of China

May7, 2026

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 887,923	8	\$ 724,463	6	\$ 1,950,150	16
1110	Financial assets at fair value through profit or loss – current	6(2)	166,455	1	187,757	2	181,273	2
1136	Financial assets at amortized cost – current	6(1) and 8	302,065	3	431,129	4	297,785	2
1150	Notes receivable, net	6(3)	324,625	3	381,936	3	374,043	3
1170	Accounts receivable, net	6(3) and 7	1,337,818	11	1,353,819	12	1,336,765	11
1200	Other receivables	7	17,650	-	19,524	-	25,130	-
1220	Current income tax assets	6(28)	23,935	-	24,380	-	7,369	-
130X	Inventories	6(4) and 8	3,733,735	32	3,732,364	32	3,922,378	31
1410	Prepayments	7	190,076	2	69,132	1	112,566	1
1460	Non-current assets classified as held for sale, net	6(9)	28,377	-	28,377	-	28,377	-
11XX	Total current assets		7,012,659	60	6,952,881	60	8,235,836	66
Non-current assets								
1510	Financial assets at fair value through profit or loss – non-current	6(2)	257,300	2	247,800	2	226,250	2
1517	Financial assets at fair value through other comprehensive income – non-current	6(5) and 8	842,739	7	822,795	7	598,307	5
1600	Property, plant and equipment	6(6)(10), 7and8	2,851,060	25	2,841,872	25	2,704,350	22
1755	Right-of-use assets	6(7) and 7	341,960	3	364,506	3	445,871	4
1780	Intangible assets	6(8)	4,829	-	5,178	-	5,080	-
1840	Deferred income tax assets	6(28)	198,475	2	219,400	2	188,477	1
1915	Prepayments for equipment	6(6)	62,634	1	57,961	1	38,991	-
1920	Guarantee deposits paid	7	32,219	-	32,528	-	33,272	-
1990	Other non-current assets		1,388	-	2,006	-	1,258	-
15XX	Total non-current assets		4,592,604	40	4,594,046	40	4,241,856	34
1XXX	Total assets		\$ 11,605,263	100	\$ 11,546,927	100	\$ 12,477,692	100

(Continued)

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11) and 8	\$ 1,413,132	12	\$ 1,574,866	14	\$ 330,694	3
2110	Short-term notes and bills payable	6(12)	49,947	-	49,979	-	-	-
2130	Current contract liabilities	6(21) and 7	428,387	4	448,611	4	491,681	4
2150	Notes payable		-	-	67	-	118	-
2170	Accounts payable	7	454,292	4	438,103	4	550,896	4
2200	Other payables	6(19) and 7	429,969	4	369,024	3	652,565	5
2230	Current income tax liabilities	6(28)	22,864	-	21,937	-	17,457	-
2250	Provisions for liabilities - current	6(14)	5,549	-	4,210	-	2,363	-
2280	Current lease liabilities	6(7) and 7	104,541	1	105,847	1	99,660	1
2310	Advance receipts	6(9) and 7	13,267	-	12,249	-	14,520	-
2320	Long-term liabilities, current portion	6(13)(15) and 8	29,143	-	6,583	-	1,606,583	13
21XX	Total current liabilities		2,951,091	25	3,031,476	26	3,766,537	30
Non-current liabilities								
2530	Bonds payable	6(13) and 8	2,997,950	26	2,997,751	26	2,997,143	24
2540	Long-term borrowings	6(15) and 8	396,672	3	159,957	1	14,894	-
2570	Deferred income tax liabilities	6(28)	480,150	4	486,432	4	480,290	4
2580	Non-current lease liabilities	6(7) and 7	167,928	2	190,074	2	268,260	2
2640	Net defined benefit liabilities – non-current	6(16)	84,889	1	92,464	1	84,719	1
2645	Guarantee deposits received		457	-	457	-	457	-
25XX	Total non-current liabilities		4,128,046	36	3,927,135	34	3,845,763	31
2XXX	Total liabilities		7,079,137	61	6,958,611	60	7,612,300	61
Equity attributable to owners of the parent								
	Share capital	6(17)						
3110	Common stock		3,021,627	26	3,021,627	26	3,021,627	24
3200	Capital surplus	6(13)(17)(18)	566,733	5	559,704	5	546,106	4
	Retained earnings	6(19)						
3310	Legal reserve		399,149	3	399,149	4	369,727	3
3320	Special reserve		442,934	4	442,934	4	430,610	3
3350	Unappropriated retained earnings		209,469	2	333,945	3	359,138	3
3400	Other equity interest	6(5)(20)	(554,656)	(5)	(618,523)	(6)	(444,688)	(3)
3500	Treasury stocks	6(17)	(267,195)	(2)	(267,195)	(2)	(267,195)	(2)
31XX	Equity attributable to owners of the parent		3,818,061	33	3,871,641	34	4,015,325	32
36XX	Non-controlling interest	4(3)	708,065	6	716,675	6	850,067	7
3XXX	Total equity		4,526,126	39	4,588,316	40	4,865,392	39
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
	Events after the reporting period	11						
3X2X	Total liabilities and equity		\$11,605,263	100	\$11,546,927	100	\$12,477,692	100

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(Reviewed, not audited)

		For three-month periods ended March 31,			
		2026		2025	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 1,798,919	100	\$ 2,081,230	100
5000 Operating costs	6(4)(7)(8)(16) (26)(27) and 7	(1,595,041)	(89)	(1,779,455)	(85)
5900 Net operating margin		<u>203,878</u>	<u>11</u>	<u>301,775</u>	<u>15</u>
Operating expenses	6(7)(8)(16)(26) (27), 7 and 12				
6100 Selling expenses		(59,523)	(3)	(66,285)	(3)
6200 General and administrative expenses		(124,297)	(7)	(119,595)	(6)
6300 Research and development expenses		(17,510)	(1)	(17,634)	(1)
6450 Expected credit gains (losses)		(2,415)	-	2,907	-
6000 Total operating expenses		(203,745)	(11)	(200,607)	(10)
6900 Operating profit		<u>133</u>	<u>-</u>	<u>101,168</u>	<u>5</u>
Non-operating income and expenses					
7100 Interest income	6(3)(22)	2,968	-	6,835	-
7010 Other income	6(23) and 7	4,514	-	10,718	1
7020 Other gains and losses	6(2)(24) and 12	14,847	1	(19,810)	(1)
7050 Finance cost	6(7)(25) and 7	(24,653)	(1)	(22,384)	(1)
7000 Total non-operating income and expenses		(2,324)	-	(24,641)	(1)
7900 Profit before income tax		(2,191)	-	76,527	4
7950 Income tax expense	6(28)	(25,642)	(2)	(30,291)	(2)
8200 Profit for the period		<u>(\$ 27,833)</u>	<u>2</u>	<u>\$ 46,236</u>	<u>2</u>
Other comprehensive income(loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316 Unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)	\$ 15,652	1	(\$ 34,656)	(2)
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		70,607	4	32,078	2
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	(21,266)	(1)	3,704	-
8300 Total other comprehensive income for the period		<u>\$ 64,993</u>	<u>4</u>	<u>\$ 1,126</u>	<u>-</u>
8500 Total comprehensive income for the period		<u><u>\$ 37,160</u></u>	<u><u>2</u></u>	<u><u>\$ 47,362</u></u>	<u><u>2</u></u>
Profit attributable to:					
8610 Owners of the parent		(\$ 33,827)	(2)	\$ 25,793	1
8620 Non-controlling interest		<u>5,994</u>	<u>-</u>	<u>20,443</u>	<u>1</u>
		(\$ 27,833)	(2)	\$ 46,236	2
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 30,040	2	\$ 24,039	1
8720 Non-controlling interest		<u>7,120</u>	<u>-</u>	<u>23,323</u>	<u>1</u>
		<u><u>\$ 37,160</u></u>	<u><u>2</u></u>	<u><u>\$ 47,362</u></u>	<u><u>2</u></u>
Earnings per share (in dollars)	6(29)				
9750 Basic		(\$ 0.12)		\$ 0.09	
9850 Diluted		(\$ 0.12)		\$ 0.09	

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Unaudited)

		Equity attributable to owners of the parent											
		Retained Earnings					Other Equity Interest						
							Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earning				Treasury stocks	Total	Non-controlling interest	Total equity	
<u>For the three-month periods ended March 31, 2025</u>													
Balance at January 1, 2025		\$ 3,021,627	\$ 522,676	\$ 369,727	\$ 430,610	\$ 635,508	(\$ 78,627)	(\$ 364,307)	(\$ 267,195)	\$ 4,270,019	\$ 861,349	\$ 5,131,368	
Consolidated net income		-	-	-	-	25,793	-	-	-	25,793	20,443	46,236	
Other comprehensive income (loss)	6(5)(20)	-	-	-	-	-	32,902	(34,656)	-	(1,754)	2,880	1,126	
Total comprehensive income (loss)		-	-	-	-	25,793	32,902	(34,656)	-	24,039	23,323	47,362	
Distribution of first half of 2024 net income:													
Cash dividends	6(19)	-	-	-	-	(302,163)	-	-	-	(302,163)	-	(302,163)	
The Company's dividends received by subsidiaries	6(17)(18)	-	23,430	-	-	-	-	-	-	23,430	-	23,430	
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(34,605)	(34,605)	
Balance at March 31, 2025		<u>\$ 3,021,627</u>	<u>\$ 546,106</u>	<u>\$ 369,727</u>	<u>\$ 430,610</u>	<u>\$ 359,138</u>	<u>(\$ 45,725)</u>	<u>(\$ 398,963)</u>	<u>(\$ 267,195)</u>	<u>\$ 4,015,325</u>	<u>\$ 850,067</u>	<u>\$ 4,865,392</u>	
<u>For the three-month periods ended March 31, 2026</u>													
Balance at January 1, 2026		\$ 3,021,627	\$ 559,704	\$ 399,149	\$ 442,934	\$ 333,945	(\$ 184,711)	(\$ 433,812)	(\$ 267,195)	\$ 3,871,641	\$ 716,675	\$ 4,588,316	
Consolidated net income		-	-	-	-	(33,827)	-	-	-	(33,827)	5,994	(27,833)	
Other comprehensive income (loss)	6(5)(20)	-	-	-	-	-	41,816	22,051	-	63,867	1,126	64,993	
Total comprehensive income (loss)		-	-	-	-	(33,827)	41,816	22,051	-	30,040	7,120	37,160	
Distribution of second half of 2025 net income:													
Cash dividends	6(19)	-	-	-	-	(90,649)	-	-	-	(90,649)	-	(90,649)	
The Company's dividends received by subsidiaries	6(17)(18)	-	7,029	-	-	-	-	-	-	7,029	-	7,029	
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(15,730)	(15,730)	
Balance at March 31, 2026		<u>\$ 3,021,627</u>	<u>\$ 566,733</u>	<u>\$ 399,149</u>	<u>\$ 442,934</u>	<u>\$ 209,469</u>	<u>(\$ 142,895)</u>	<u>(\$ 411,761)</u>	<u>(\$ 267,195)</u>	<u>\$ 3,818,061</u>	<u>\$ 708,065</u>	<u>\$ 4,526,126</u>	

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

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

(Reviewed , not audited)

		For the three-month periods ended March 31,	
	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		(\$ 2,191)	\$ 76,527
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gains) loss on financial assets at fair value through profit or loss	6(2)(24)	(697)	23,927
Expected credit (gains) losses	12	2,415	(2,907)
Provision for inventory market price decline	6(4)	27,761	9,154
Depreciation	6(6)(7)(26)	83,224	70,100
Gains on disposal of property, plant and equipment	6(24)	(11,395)	(2,514)
Amortization	6(8)(26)	602	775
Interest income	6(22)	(2,968)	(6,835)
Interest expense	6(25)	24,653	22,384
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		12,499	-
Notes receivable		57,361	44,818
Accounts receivable		13,309	197,362
Other receivables		1,874	7,413
Inventories		(29,132)	(161,279)
Prepayments		(120,944)	287,579
Changes in operating liabilities			
Current contract liabilities		(20,224)	(1,735)
Notes payable		(67)	(7)
Accounts payable		16,189	33,413
Other payables		(41,450)	(53,088)
Provision for liabilities – current		1,339	(4,639)
Advance receipts		1,018	2,271
Net defined benefit liabilities –non-current		(7,575)	(116)
Cash inflow generated from operations		5,601	542,603
Interest received		2,968	6,835
Interest paid		(17,065)	(15,040)
Income tax paid		(30,893)	(36,438)
Net cash flows from (used in) operating activities		(39,389)	497,960

(Continued)

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

(Reviewed , not audited)

		For the three-month periods ended March 31,	
	Notes	2026	2025
<u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u>			
Decrease in financial assets at amortized cost - current		\$ 129,064	\$ 58,221
Acquisition of financial assets at fair value through other comprehensive income - non-current		(4,292)	(13,500)
Cash paid for acquisition of property, plant and equipment	6(30)	(54,415)	(30,732)
Proceeds from disposal of property, plant and equipment		11,696	3,500
Acquisition of intangible assets	6(8)	(208)	(748)
Increase in prepayments for equipment		(10,927)	(15,228)
(Increase) decrease in guarantee deposits paid		309	(12,104)
Decrease in other non-current assets		618	603
Net cash flows from used in investing activities		71,845	(9,988)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(31)	171,066	69,817
Decrease in short-term borrowings	6(31)	(332,800)	-
Payments of lease liabilities	6(31)	(25,761)	(13,264)
Increase in long-term borrowings	6(31)	260,921	-
Decrease in long-term borrowings	6(31)	(1,646)	(1,646)
Net cash flows from (used in) financing activities		71,780	54,907
Effect of foreign exchange rate changes on cash and cash equivalents		59,224	16,906
Net increase in cash and cash equivalents		163,460	559,785
Cash and cash equivalents at beginning of period	6(1)	724,463	1,390,365
Cash and cash equivalents at end of period	6(1)	\$ 887,923	\$ 1,950,150

CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)

Unit: NT\$ thousand
(unless specified)

1. History and Organization

(1) Chun Yu Works & Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other related regulations in March 1965. The Company is primarily engaged in the manufacture and heat treatment of screws, nuts and polished steel bars as well as design of pollution prevention equipment and undertaking related services. The information on main business activities of the Company’s subsidiaries is provided in Note 4(3).

(2) The Company’s shares have been listed on the Taiwan Stock Exchange since October 1991.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments 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 have no significant impact to the Group's financial condition and financial performance based on the Group'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 Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for compliance statement, basis of preparation, basis of consolidation and applicable parts of the interim financial statements set out below set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, Interim financial reporting' as endorsed by the FSC.

B. The financial statements should be read together with the financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Net defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'Critical accounting judgements, estimates and key sources of assumption uncertainty'.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for the preparation of these consolidated financial statements is consistent with the basis applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

- B. Subsidiaries included in this consolidated financial statements :

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Chun Yu Works & Co., Ltd.	Chun Bang Precision Co., Ltd.	Manufacture and sales of moulds	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Works(USA) Inc.	Import and export of hardware products	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Investment Co., Ltd.	Professional investment	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Chun Yu Bio-tech Corp.	Powder metallurgy	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	Scholar Holdings Ltd.	Reinvestment and import and export sales	100.00	100.00	100.00	-
Chun Yu Works & Co., Ltd.	Sunny City International Limited	Reinvestment and import and export sales	100.00	100.00	100.00	(note 1)
Chun Yu Works & Co., Ltd.	PT. Moon Lion Industries Indonesia	Manufacture and sales of screws and nuts	83.23	83.23	71.85	(note 1)
Chun Yu Works & Co., Ltd.	Chun Zu Machinery Industry co., Ltd.	Manufacture and sales of machinery	47.82	47.82	47.82	(note 2) (note 3)
Scholar Holdings Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	Manufacture and sales of screws and nuts	100.00	100.00	100.00	-
Sunny City International Limited	Shanghai Uchee Hardware Products Ltd.	Sales of screws and nuts	100.00	100.00	100.00	(note 1)
Shanghai Uchee Hardware Products Ltd.	Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Sales of screws and nuts	100.00	100.00	100.00	(note 1)

Name of investor	Name of subsidiary	Main business activities	March 31, 2026	Ownership (%) December 31, 2025	March 31, 2025	Description
Chun Zu Machinery Industry Co., Ltd.	Lion City Management Ltd.	Professional investment	100.00	100.00	100.00	(note 3)
Lion City Management Ltd.	Shanghai Chun Zu Machinery Industry Ltd.	Manufacture and sales of machinery	100.00	100.00	100.00	(note 3)

(Note 1) For these companies, except for the relevant information of PT. Moon lion Industries Indonesia disclosed in the financial statements note 13 which were reviewed by other accountants, the relevant information of the remaining companies disclosed in the financial statements for the three-month periods ended March 31, 2025 and 2024 and Note 13 has not been reviewed by us.

(Note 2) It represents the consolidated ownership held by the Group.

(Note 3) A representative appointed by the Company was elected as the chairman of the investee, and the general manager of the investee had to report to the Board of Directors of the Company. Thus, the Company had substantial control over the investee and its subsidiaries.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2026, December 31, 2025, and March 31, 2025 were NT\$708,065 NT\$716,675 and NT\$850,067 respectively. The information on non-controlling interests and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2026		December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Chun Zu Machinery Industry Co., Ltd	Taiwan	<u>\$ 488,898</u>	52.18%	<u>\$ 509,991</u>	52.18%

Name of subsidiary	Principal place of business	Non-controlling interest	
		March 31, 2025	
		Amount	Ownership (%)
Chun Zu Machinery Industry Co., Ltd	Taiwan	<u>\$ 497,694</u>	52.18%

Summarized financial information of the subsidiary:

<u>Consolidated balance sheets</u>	<u>Chun Zu Machinery Industry Co., Ltd. and subsidiaries</u>		
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current assets	\$ 1,393,173	\$ 1,430,939	\$ 1,521,229
Non-current assets	549,612	560,633	455,336
Current liabilities	(806,096)	(807,126)	(820,660)
Non-current liabilities	(125,574)	(132,916)	(129,137)
Total net assets	<u>\$ 1,011,115</u>	<u>\$ 1,051,530</u>	<u>\$ 1,026,768</u>
<u>Consolidated statements of comprehensive income</u>	<u>For the three-month periods ended March 31,</u>		
	<u>2026</u>	<u>2025</u>	
Revenue	\$ 272,420	\$ 266,493	
Profit (loss) for the period	(\$ 12,413)	\$ 6,585	
Other comprehensive income	2,142	5,352	
Total comprehensive (loss) income	<u>(\$ 10,271)</u>	<u>\$ 11,937</u>	
Comprehensive income attributable to non-controlling interest	(\$ 5,363)	\$ 5,419	
Dividends paid to non-controlling interest (note)	\$ -	\$ -	
(note): Already declared unpaid			
<u>Consolidated statements of cash flows</u>	<u>For the three-month periods ended March 31</u>		
	<u>2026</u>	<u>2025</u>	
Net cash (used in) provided by operating activities	(\$ 21,874)	\$ 22,038	
Net cash (used in) investing activities	58,151	(42,374)	
Net cash provided by used in financing activities	(5,691)	(491)	
Effect of exchange rate changes on cash and cash equivalents	14,625	(257)	
(Decrease) increase in cash and cash equivalents	45,211	(21,084)	
Cash and cash equivalents, beginning of period	298,028	401,301	
Cash and cash equivalents, end of period	<u>\$ 343,239</u>	<u>\$ 380,217</u>	

(4) Employee benefits

Defined benefit plan pension costs for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pre-tax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

No major changes in this period, Please refer to the five notes to the 2025 consolidated financial statements.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash:			
Cash on hand	\$ 1,344	\$ 1,240	\$ 1,214
Checking accounts	106	106	112,118
Demand deposits	723,230	630,133	1,569,467
	<u>724,680</u>	<u>631,479</u>	<u>1,682,799</u>
Cash equivalent:			
Time deposits	162,243	92,984	267,351
	<u>\$ 887,923</u>	<u>\$ 724,463</u>	<u>\$ 1,950,150</u>

A. The Group transacts 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's time deposits maturing in excess of three months amounting to \$293,473, \$421,818 and \$282,968 as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively, were classified as 'Financial assets at amortized cost - current'.

C. As of three-month ended March 31, 2026, December 31, 2025 and March 31, 2025, the Group's restricted demand deposits established for long-term and short-term borrowings amounting to \$8,592, \$9,311 and \$14,817, respectively, were classified as 'Financial assets at amortized cost - current'. Details are provided in Note 8, 'Pledged assets'.

(2) Financial assets at fair value through profit or loss

Item	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 82,262	\$ 84,887	\$ 84,298
Emerging stocks	65,700	71,550	96,975
Structured instruments	18,493	31,320	-
	<u>\$ 166,455</u>	<u>\$ 187,757</u>	<u>\$ 181,273</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks-private placement	\$ 257,300	\$ 247,800	\$ 226,250

- A. All structured notes contracted with financial institutions held by the Group were capital guarantee financial instruments.
- B. The Group recognized net(loss) gain (listed as ‘Other gains and losses’) amounting to \$697 and (\$23,927) in relation to financial assets at fair value through profit or loss for the three-month periods ended March 31, 2026 and 2025, respectively.
- C. In November 2023, the Group subscribed a total of 5,000 thousand shares of King House Co., Ltd. through private placement, and the transfer of the private placement stock is restricted within three years.
- D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no financial assets at fair value through profit or loss pledged to others.

(3) Notes and accounts receivable, net

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$ 324,781	\$ 382,142	\$ 365,997
Installment notes receivable	-	-	8,422
	<u>324,781</u>	<u>382,142</u>	<u>374,419</u>
Less: Unrealized interest income	-	-	(321)
Allowance for uncollectible accounts	(156)	(206)	(55)
	<u>\$ 324,625</u>	<u>\$ 381,936</u>	<u>\$ 374,043</u>
Accounts receivable	\$ 1,361,236	\$ 1,378,909	\$ 1,352,465
Less: Allowance for uncollectible accounts	(23,418)	(25,090)	(15,700)
	<u>\$ 1,337,818</u>	<u>\$ 1,353,819</u>	<u>\$ 1,336,765</u>

- A. The ageing analysis of notes and accounts receivable that were past due but not impaired is as follows:

	March 31, 2026		December 31, 2025	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 324,781	\$ 1,251,193	\$ 382,142	\$ 1,244,338
Up to 30 days past due	-	55,671	-	71,519
31~90 days past due	-	12,939	-	29,149
91~180 days past due	-	5,611	-	8,044
Over 181 days past due	-	35,822	-	25,859
	<u>\$ 324,781</u>	<u>\$ 1,361,236</u>	<u>\$ 382,142</u>	<u>\$ 1,378,909</u>

	March 31, 2025	
	Notes receivable	Accounts receivable
Not past due	\$ 374,419	\$ 1,265,489
Up to 30 days past due	-	39,433
31~90 days past due	-	22,504
91~180 days past due	-	8,267
Over 181 days past due	-	16,772
	<u>\$ 374,419</u>	<u>\$ 1,352,465</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2026, December 31, 2025 and March 31, 2025, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$1,979,347.
- C. On March 31, 2025, the Group entered into a factoring agreement with First Commercial Bank regarding accounts receivable. According to the terms of the agreement, the Group bears no recourse obligations for the transferred accounts receivable, and thus is not exposed to risks or losses arising from the debtor's inability to repay. Furthermore, the Group does not retain any control or continuing involvement in these transferred accounts receivable. As such, the Group derecognized the related accounts receivable. Relevant information as of March 31, 2025, is as follows:

March 31, 2025					
Counterparty	Receivable Amount	Derecognized Amount	Amount Received in Advance	Amount Not Yet Received	Interest Rate Range
First Commercial bank	\$ 10,175	\$ 10,175	\$ -	\$ 8,479	-

As of March 31, 2025, the Group had no other derecognized receivables under similar factoring agreements. There was no such situation as of March 31, 2026, and December 31, 2025.

- D. For the three-month ended March 31, 2026 and 2025, the interest income (including installment notes receivable) recognized in profit or loss amounted to \$ - and \$108 (listed as 'Interest income'), respectively.
- E. Certain notes receivable that endorsed and transferred to other parties (pertaining to banker's acceptances) met the derecognition criteria for financial assets. The Group has payment obligations when the acceptors (accepting banks) of the notes refuse to pay the notes at maturity. However, the credit rating of the aforesaid acceptors (accepting banks) of the notes is high. In general, the Group does not expect that the acceptors (accepting banks) of the notes would refuse to pay for the notes at maturity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had endorsed notes receivable (pertaining to banker's acceptances) that were

discounted to banks but not yet matured amounting to \$89,235, \$71,630 and \$ -, respectively.

F. 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 best represents the notes or accounts receivable held by the Group was their carrying amount.

G. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no notes receivable and accounts receivable pledged to others.

H. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(4) Inventories

March 31, 2026			
	Cost	Allowance for inventory valuation loss	Book value
Raw materials	\$ 752,471	(\$ 30,887)	\$ 721,584
Supplies	483,224	(21,618)	461,606
Work in progress	1,173,810	(115,277)	1,058,533
Finished goods	1,605,810	(113,798)	1,492,012
	<u>\$ 4,015,315</u>	<u>(\$ 281,580)</u>	<u>\$ 3,733,735</u>

December 31, 2025			
	Cost	Allowance for inventory valuation loss	Book value
Raw materials	\$ 735,845	(\$ 32,644)	\$ 703,201
Supplies	494,799	(22,570)	472,229
Work in progress	1,118,271	(91,154)	1,027,117
Finished goods	1,637,268	(107,451)	1,529,817
	<u>\$ 3,986,183</u>	<u>(\$ 253,819)</u>	<u>\$ 3,732,364</u>

March 31, 2025			
	Cost	Allowance for inventory valuation loss	Book value
Raw material	\$ 1,007,523	(\$ 27,176)	\$ 980,347
Supplies	445,325	(18,716)	426,609
Work in progress	1,069,957	(50,073)	1,019,884
Finished goods	1,597,828	(102,290)	1,495,538
	<u>\$ 4,120,633</u>	<u>(\$ 198,255)</u>	<u>\$ 3,922,378</u>

A. The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2026	2025
Cost of goods sold	\$ 1,579,598	\$ 1,782,812
Provision for inventory market price decline	27,761	9,154
Loss on physical inventory	(339)	(479)
Income from sales of scraps	(11,979)	(12,032)
	<u>\$ 1,595,041</u>	<u>\$ 1,779,455</u>

B. Details of the Group's inventories pledged to others as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025 are provided in Note 8, 'Pledged assets'.

(5) Financial assets at fair value through other comprehensive income - non-current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Equity instruments			
Listed stocks	\$ 764,267	\$ 738,023	\$ 515,845
Listed stocks-private placement	77,700	84,000	81,690
Unlisted stocks	772	772	772
	<u>\$ 842,739</u>	<u>\$ 822,795</u>	<u>\$ 598,307</u>

- A. The Group has elected to classify equity investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income.
- B. In December 2024, the Group subscribed a total of 7,000 thousand shares of DataVan International Corp., Ltd. (originally named : DataVan International Corporation) through private placement, and the transfer of the private placement stock is restricted within three years.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended March 31,	
	2026	2025
Fair value change recognized in other comprehensive income (listed as 'Other equity interest')		
holders still holding at the end of this period	<u>\$ 15,652</u>	<u>(\$ 34,656)</u>

- D. 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 best represents the financial assets at fair value through other comprehensive income held by the Group was the carrying amount.
- E. As of March 31, 2026 and 2025, information about the Group's financial assets at fair value through other comprehensive income pledged to others as collateral is provided in Note 8, 'Pledged assets'. As of December 31, 2025, the Group had no financial assets at fair value through other comprehensive income pledged to others.

(6) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Equipment under acceptance and construction in progress	Total
<u>January 1, 2026</u>									
Cost	\$ 1,545,673	\$ 1,985,743	\$ 4,354,974	\$ 93,792	\$ 100,668	\$ 107,743	\$ 724,246	\$ 193,592	\$ 9,106,431
Accumulated depreciation	-	(1,584,630)	(3,812,644)	(81,999)	(81,234)	(78,883)	(625,127)	-	(6,264,517)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,545,673</u>	<u>\$ 401,113</u>	<u>\$ 542,288</u>	<u>\$ 11,793</u>	<u>\$ 19,434</u>	<u>\$ 28,860</u>	<u>\$ 99,119</u>	<u>\$ 193,592</u>	<u>\$ 2,841,872</u>
<u>For the three-month periods ended March 31, 2026</u>									
At January 1	\$ 1,545,673	\$ 401,113	\$ 542,288	\$ 11,793	\$ 19,434	\$ 28,860	\$ 99,119	\$ 193,592	\$ 2,841,872
Additions	-	450	26,131	-	775	1,900	3,496	17,088	49,840
Transfers after acceptance	-	1,690	5,519	-	-	-	495	(7,704)	-
Transfers from prepayments for equipment	-	-	-	-	46	-	-	6,208	6,254
Depreciation charge	-	(11,467)	(34,186)	(951)	(1,700)	(1,445)	(6,192)	-	(55,941)
Disposals – Cost	-	(560)	(30,483)	-	(1,145)	(206)	-	-	(32,394)
–Accumulated depreciation	-	331	30,483	-	1,085	194	-	-	32,093
Net exchange differences		4,642	2,557	-	173	192	1,171	601	9,336
At March 31	<u>\$ 1,545,673</u>	<u>\$ 396,199</u>	<u>\$ 542,309</u>	<u>\$ 10,842</u>	<u>\$ 18,668</u>	<u>\$ 29,495</u>	<u>\$ 98,089</u>	<u>\$ 209,785</u>	<u>\$ 2,851,060</u>
<u>March 31, 2026</u>									
Cost	\$ 1,545,673	\$ 2,010,750	\$ 4,405,022	\$ 93,792	\$ 101,325	\$ 110,659	\$ 743,426	\$ 209,785	\$ 9,220,432
Accumulated depreciation	-	(1,614,551)	(3,862,671)	(82,950)	(82,657)	(81,164)	(645,337)	-	(6,369,330)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,545,673</u>	<u>\$ 396,199</u>	<u>\$ 542,309</u>	<u>\$ 10,842</u>	<u>\$ 18,668</u>	<u>\$ 29,495</u>	<u>\$ 98,089</u>	<u>\$ 209,785</u>	<u>\$ 2,851,060</u>

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Equipment under acceptance and construction in progress	Total
<u>January 1, 2025</u>									
Cost	\$ 1,552,828	\$ 1,984,258	\$ 4,420,148	\$ 90,837	\$ 95,714	\$ 109,660	\$ 718,363	\$ 8,948	\$ 8,980,756
Accumulated depreciation	-	(1,560,827)	(3,840,200)	(78,240)	(80,980)	(76,294)	(624,656)	-	(6,261,197)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,552,828</u>	<u>\$ 423,431</u>	<u>\$ 579,906</u>	<u>\$ 12,597</u>	<u>\$ 14,734</u>	<u>\$ 33,366</u>	<u>\$ 93,707</u>	<u>\$ 8,948</u>	<u>\$ 2,719,517</u>
<u>For the three-month periods ended March 31, 2025</u>									
At January 1	\$ 1,552,828	\$ 423,431	\$ 579,906	\$ 12,597	\$ 14,734	\$ 33,366	\$ 93,707	\$ 8,948	\$ 2,719,517
Additions	-	823	24,243	-	554	481	701	7,898	34,700
Transfers after acceptance	-	1,200	2,288	-	-	-	-	(3,488)	-
Transfers from prepayments for equipment	-	-	615	-	-	-	-	989	1,604
Depreciation charge	-	(10,574)	(32,145)	(894)	(1,631)	(1,615)	(8,333)	-	(55,192)
Disposals – Cost	-	-	(19,433)	-	(23)	(239)	(820)	-	(20,515)
–Accumulated depreciation	-	-	18,468	-	23	235	803	-	19,529
Net exchange differences	-	2,135	1,441	-	117	98	656	260	4,707
At March 31	<u>\$ 1,552,828</u>	<u>\$ 417,015</u>	<u>\$ 575,383</u>	<u>\$ 11,703</u>	<u>\$ 13,774</u>	<u>\$ 32,326</u>	<u>\$ 86,714</u>	<u>\$ 14,607</u>	<u>\$ 2,704,350</u>
<u>March 31, 2025</u>									
Cost	\$ 1,552,828	\$ 1,996,596	\$ 4,448,969	\$ 90,837	\$ 96,696	\$ 110,443	\$ 724,993	\$ 14,607	\$ 9,035,969
Accumulated depreciation	-	(1,579,581)	(3,873,544)	(79,134)	(82,922)	(78,117)	(638,279)	-	(6,331,577)
Accumulated impairment	-	-	(42)	-	-	-	-	-	(42)
	<u>\$ 1,552,828</u>	<u>\$ 417,015</u>	<u>\$ 575,383</u>	<u>\$ 11,703</u>	<u>\$ 13,774</u>	<u>\$ 32,326</u>	<u>\$ 86,714</u>	<u>\$ 14,607</u>	<u>\$ 2,704,350</u>

- A. The Group's property, plant and equipment as of March 31, 2026, December 31, 2025 and March 31, 2025 are for its own use.
- B. No borrowing costs were capitalized as property, plant and equipment for the three-month periods ended March 31, 2026 and 2025.
- C. Information about the Group's land and buildings held for sale are provided in Note 6(9), 'Non-current assets held for sale, net'.
- D. Impairment information about the property, plant and equipment is provided in Note 6(10), 'Impairment of non-financial assets'.
- E. Information about the property, plant and equipment that were pledged to others as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025 is provided in Note 8, 'Pledged assets'.

(7) Lease transaction – lessee

- A. The Group leases various assets including land (including the land located in Qiaotou District, Kaohsiung City, land located in Dayong Section, Gangshan District, Kaohsiung City and the land use right in Songmushan management area, Dalang Town, Dongguan City and Baihe Town, Shanghai City under the contracts signed with the People's Republic of China), buildings, machinery and equipment, and business vehicles. Rental contracts are typically made for periods of 1 to 50 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. The carrying amount 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	\$ 85,107	\$ 83,956	\$ 90,941
Buildings	168,442	180,708	227,461
Machinery equipment	81,622	92,213	122,537
Business vehicles	6,789	7,629	4,932
	<u>\$ 341,960</u>	<u>\$ 364,506</u>	<u>\$ 445,871</u>

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,434	\$ 1,441
Buildings	14,397	9,530
Machinery equipment	10,612	3,501
Business vehicles	840	436
	<u>\$ 27,283</u>	<u>\$ 14,908</u>

- C. For the three-month periods ended March 31, 2026 and 2025, the additions to right-of-use assets were \$837 and \$268,501, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

		For the three-month periods ended March 31,	
		2026	2025
<u>Items affecting profit or loss</u>			
Interest expenses on lease liabilities	\$	2,801	\$ 2,001
Expense on short-term leases		3,640	2,792
E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$32,202 and \$18,057, respectively.			
F. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no right-of-use assets pledged to others.			

(8) Intangible assets

		Computer Software	
		For the three-month periods ended March 31,	
		2026	2025
<u>At January 1</u>			
Cost	\$	17,440	\$ 23,488
Accumulated amortization	(	12,262)	(18,416)
	\$	5,178	\$ 5,072
<u>Period from January to March</u>			
At January 1	\$	5,178	\$ 5,072
Additions – acquired separately		208	748
Amortization charge	(	602)	(775)
Disposal - Cost	(	2,523)	(302)
- Accumulated amortization		2,523	302
Net exchange differences		45	35
At March 31	\$	4,829	\$ 5,080
<u>At March 31</u>			
Cost	\$	15,450	\$ 24,194
Accumulated amortization	(	10,621)	(19,114)
	\$	4,829	\$ 5,080

- A. No borrowing costs were capitalized as intangible assets for the three-month periods ended March 31, 2026 and 2025.
- B. Details of amortization expenses on intangible assets are as follows:

	For the three-month periods ended March 31,	
	2026	2025
Operating costs	\$ 82	\$ 177
Selling expenses	4	4
General and administrative expenses	300	331
Research and development expenses	216	263
	<u>\$ 602</u>	<u>\$ 775</u>

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no intangible assets pledged to others.

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

On August 8, 2024, the Company's Board of Directors resolved to sell land and buildings located in the Tai'an section of Gangshan District, Kaohsiung City, to a related party - Mixiang Foods Co., Ltd., a 100% owned subsidiary of Jia Jie Biomedical Co., Ltd. The transaction amount is authorized to be determined by the chairman, with a minimum price set at \$121,500. A sales contract was signed in November 2024. The transaction amount is \$122,666 and the first installment of \$12,249 was received in advance. As of March 31, 2026, the Company is completing the administrative procedures and compliance inspection required by applicable laws for transfer of the land. Upon completion of the overall process, the subsequent settlement matters shall be handled in accordance with the terms of the contract. This transaction is expected to be finalized in the second quarter of 2026.

	March 31, 2026	December 31, 2025	March 31, 2025
Land	\$ 23,834	\$ 23,834	\$ 23,834
Buildings	4,543	4,543	4,543
	<u>\$ 28,377</u>	<u>\$ 28,377</u>	<u>\$ 28,377</u>

(10) Impairment of non-financial assets

A. The Group did not recognize impairment loss for the three-month periods ended March 31, 2026 and 2025.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the accumulated impairment loss of property, plant and equipment both amounted to \$42, after recognizing or reversing any impairment loss.

(11) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 1,413,132	0.40%~3.45%	None
Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 1,462,066	0.40%~2.50%	None
Secured borrowings	112,800	8.25%	Note
	<u>\$ 1,574,866</u>		

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 330,694	0.50%~2.49%	None

(Note) Details of the collateral provided for bonds payable are provided in Note 8, 'Pledged assets'.

Details of interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025 are provided in Note 6(25), 'Finance Costs'.

(12) Short-term notes and bills payable

	March 31, 2026	Interest rate	Collateral
Commercial papers payable	\$ 49,947	1.94%	None

	December 31, 2025	Interest rate	Collateral
Commercial papers payable	\$ 49,979	2.03%	None

A. The Group had no such situation as of March 31, 2025.

B. The above commercial papers were issued and guaranteed by Union Bank of Taiwan and Mega Bills Finance Co., Ltd. for short-term financing.

C. For more information about interest expenses recognized by the Group for the three-month periods ended March 31, 2026 and 2025, refer to Note 6(25), 'Finance costs'.

(13) Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025	Collateral
Guaranteed ordinary bonds payable	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	Note
Guaranteed convertible bonds payable	-	-	1,600,000	-
	\$ 3,000,000	\$ 3,000,000	\$ 4,600,000	
Less: Discount on bonds payable	(2,050)	(2,249)	(2,857)	
	2,997,950	2,997,751	4,597,143	
Less: Current portion	-	-	(1,600,000)	
	\$ 2,997,950	\$ 2,997,751	\$ 2,997,143	

(Note) Details of the collateral provided for bonds payable are provided in Note 8, 'Pledged assets'.

A. The Company issued the first domestic guaranteed bonds payable from October 2021, and the main issuance conditions are as follows:

(a) The Company was approved by the competent authority to raise and issue the first domestic guaranteed bonds with a total amount of \$3,000,000 (related issue costs of \$5,650), with a coupon rate of 0.65% and a maturity period of 7 years from October 15, 2021 to October 15, 2028. The bonds are repayable in cash at the face value of the bonds upon maturity.

(b) First Commercial Bank Co., Ltd. was appointed as the guarantor bank for the bonds. The guarantee period is from the date of full collection of the bonds to the date of full payment

of the principal and interest payable under the Plan, and the guarantee covers the outstanding principal and interest compensation payable under the Plan, which are subordinate to the principal debt.

- (c) The principal and interest will be paid every year by coupon rate since the day approved to issue. If the local financial institutions are closed on a payment day, the principal and interest will be paid on the next operating day without extra interest.

B. The Company issued the first, second and third domestic guaranteed convertible bonds payable in March 2022, with a total amount of \$700,000 (related issue costs of \$2,432), \$500,000 (related issue costs of \$2,006), \$400,000 (related issue costs of \$1,417), respectively. Issuance prices were \$779,162, \$557,563 and \$445,004, respectively with a coupon rate of 0% and a maturity period of 3 years from March 25, 2022 to March 25, 2025. The convertible bonds have matured and been fully repaid.

C. When the company issues convertible corporate bonds, in accordance with the provisions of Amendments to IAS 32 "Financial Instruments: Presentation", the conversion right which has the nature of equity is separated from each liability component, and was recognized as "Capital reserve-share options" \$221,790. However, as the convertible bonds have matured and been fully repaid, the balance was transferred to "Capital surplus – others."

D. Details of interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025 provided in Note 6, (25), Financial costs.

(14) Provisions for liabilities – current

	Warranty	
	For the three-month periods ended March 31,	
	2026	2025
At January 1	\$ 4,210	\$ 7,002
Additional provisions	2,517	-
Used during the period	(1,156)	(821)
Unused amounts reversed	(22)	(3,818)
At March 31	\$ 5,549	\$ 2,363

The Group provides warranties on machinery products sold. Provision for warranty is estimated based on historical warranty data of such products.

(15) Long term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	March 31, 2026
Long-term bank borrowings				
Unsecured borrowings	2022.4.18~2029.6.15	1.68%~2.03%	None	\$ 314,895
Secured borrowings	2026.3.19~2031.2.19	7.50%	Refer to Note 8	110,920
				<u>425,815</u>
Less: Current portion				<u>(29,143)</u>
				<u>\$ 396,672</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Secured borrowings	2022.5.15~2029.6.15	1.03%~1.68%	Refer to Note 8	\$ 166,540
Less: Current portion				<u>(6,583)</u>
				<u>\$ 159,957</u>

Type of borrowings	Borrowing period	Interest rate range	Collateral	March 31, 2024
Long-term bank borrowings				
Secured borrowings	2022.5.15~2029.6.15	1.55%	Refer to Note 8	\$ 21,477
Less: Current portion				<u>(6,583)</u>
				<u>\$ 14,894</u>

1. As of March 31, 2026, the interest rate on borrowings in Indonesia was 7.5%. There were no such borrowings as of December 31, 2025 and March 31, 2025.
2. Details of interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025 are provided in Note 6(25), 'Finance costs'.

(16) Pensions

- A. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the R.O.C. Labor Standards Act, covering all regular employees' service years prior to the enforcement of the R.O.C. 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 R.O.C. Labor Pension Act. 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 domestic subsidiaries contribute monthly an amount equal to 4% 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. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of 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 Company and its domestic subsidiaries will make contributions for the deficit by next March. The information on defined benefit pension plans of the Company and its subsidiary, Pt Moon Lion Industries Indonesia, is as follows:

- (a) The pension costs under the defined contribution pension plans of the Group were \$5,009 and \$3,459 for the three-month periods ended March 31, 2026 and 2025, respectively.
 - (b) Expected contributions to the defined benefit pension plans of the Group for the following year amount to \$1,684.
- B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the R.O.C. Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 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’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China are based on certain percentage of employees’ monthly salaries and wages. The fund is managed by the government. Other than the monthly contributions, the subsidiaries have no further obligations. The pension costs under the defined contribution pension plans of the Group were \$12,758 and \$12,541 for the three-month periods ended March 31, 2026 and 2025, respectively.

(17) Share capital

- A. Movements in the number of the Company’s ordinary shares outstanding are as follows: (Unit: Shares in thousands)

	For the three-month periods ended March 31,	
	2026	2025
Beginning and ending balance	302,163	302,163

- B. As of March 31, 2026, the Company’s authorized capital was \$3,920,696, and the paid-in capital was \$3,021,627, consisting of 302,163 thousand ordinary shares, with a par value of \$10 (in dollars) per share which were issued in several installments. All proceeds from shares issued have been collected.
- C. Treasury shares
- (a) Reason for share reacquisition and movements in the number of the Company’s treasury shares are as follows: (Unit: Shares in thousands)

For the three-month periods ended March 31, 2026

Reason for reacquisition	Number of shares at the beginning of the year	Addition	Decrease	Number of shares at the end of the year
Acquisition of the parent company's shares by subsidiaries	23,430	-	-	23,430

For the three-month periods ended March 31, 2025

Reason for reacquisition	Number of shares at the beginning of the year	Addition	Decrease	Number of shares at the end of the year
Acquisition of the parent company's shares by subsidiaries	23,430	-	-	23,430

- (b) As of March 31, 2026, December 31, 2025 and March 31, 2025 the book value (cost) was both \$267,195, and the fair values were \$370,197, \$397,141 and \$551,781, respectively. The shares of the Company held by the subsidiaries are recognized as treasury shares and are entitled to dividends, recorded under "Capital reserve-treasury stock transaction". The cash dividends paid to the subsidiaries amounted to \$7,029 and \$23,430 for the three-month periods ended March 31, 2026 and 2025, respectively.
- (c) Reason for share reacquisition and the number of the Company's treasury shares changed as of March 31, 2026, December 31, 2025 and March 31, 2025. Details are as follows:

Name of company holding the shares	Reason for reacquisition	March 31, 2026	
		Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195
		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195
		March 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount
Chun Yu Investment Co., Ltd.	Acquisition of the parent company's shares by subsidiaries	23,430	\$ 267,195

(18) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of 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 R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Movements in capital surplus are as follows:

For the three-month periods ended March 31, 2026	Difference between consideration and carrying amount of acquired or disposed	Treasury share transactions	Other	Total
Balance at January 1	\$ 40,499	\$ 297,415	\$ 221,790	\$ 559,704
Transfers to capital surplus for the Company's dividends received by subsidiaries	-	7,029	-	7,029
Balance at March 31	<u>\$ 40,499</u>	<u>\$ 304,444</u>	<u>\$ 221,790</u>	<u>\$ 566,733</u>

For the three-month periods ended March 31, 2025	Share options	Difference between consideration and carrying amount of acquired or disposed	Treasury share transactions	Total
Balance at January 1	\$ 221,790	\$ 26,901	\$ 273,985	\$ 522,676
Transfers to capital surplus for the Company's dividends received by subsidiaries	-	-	23,430	23,430
Balance at March 31	<u>\$ 221,790</u>	<u>\$ 26,901</u>	<u>\$ 297,415</u>	<u>\$ 546,106</u>

B. Details of 'Capital reserve-share options' are provided in Note 6(13), 'Bonds payable'.

C. Details of 'Capital reserve-treasury share transactions' are provided in Note 6(17), 'Share capital'.

(19) Retained earnings

A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their

share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- B. Under the Company's Articles of Incorporation, the Company may distribute earnings or offset losses at the end of each half fiscal year in accordance with the Company Act. When distributing earnings, the Company shall estimate and reserve for taxes payable, offset losses and set aside as legal reserve until the legal reserve equals the paid-in capital in accordance with the regulations. Where dividends are distributed in the form of cash, it shall be approved by the Board of Directors. Where dividends are distributed by issuing new shares, it shall be approved by the stockholders in accordance with the regulations.

The current year's earnings, if any, shall first be used to pay all taxes, offset prior years' operating losses, set aside 10% of the remaining amount as legal reserve and then reverse or set aside as special reserve in accordance with relevant regulations. The remaining earnings along with accumulated unappropriated earnings from prior years will be the accumulated distributable earnings, and the Board of Directors will present a proposal of the earnings distribution for the approval of the shareholders. Where dividends and bonus, capital surplus and legal reserve, in whole or in part, are distributed in the form of cash, the Board of Directors is authorized make the distribution by approval of more than half of the directors present at the meeting, where more than two-thirds of the directors are present, and the report of such distribution shall be submitted to the shareholders' meeting. The regulation in relation to approval from the shareholders is not applicable. In principal, at least 50% of earnings, after considering the capital needs for current and future development and the interest of shareholders, shall be distributed as dividends according to the dividend policy. However, if there is a need due to changes in the industry's environment or operational plans, the Board of Directors may present a proposal to adjust the ratio for the approval of the shareholders.

- C. Special reserve:

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. As of March 31, 2026, the outstanding balance of the above special surplus reserve that has not reversed amounted to \$442,934.
- (b) The amount of \$430,610 previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

- D. The Company recognized cash dividends to owners amounting to \$302,163 and \$274,968 for the years ended December 31, 2025 and 2024, respectively. On March 5, 2026, the Board of Directors resolved for the distribution of cash dividends from 2025 earnings amounting to \$90,649 (\$0.3 (in dollars) per share).

(20) Other equity

	For the three-month periods ended March 31, 2026		
	Currency translation	Unrealized gains (losses) on valuation	Total
At January 1	(\$ 184,711)	(\$ 433,812)	(\$ 618,523)
Revaluation – currency translation	41,816	-	41,816
Revaluation – unrealized gains on valuation	-	22,051	22,051
At March 31	(\$ 142,895)	(\$ 411,761)	(\$ 554,656)

	For the three-month periods ended March 31, 2025		
	Currency translation	Unrealized losses on valuation	Total
At January 1	(\$ 78,627)	(\$ 364,307)	(\$ 442,934)
Revaluation – currency translation	32,902	-	32,902
Revaluation – unrealized losses on valuation	-	(34,656)	(34,656)
At March 31	(\$ 45,725)	(\$ 398,963)	(\$ 444,688)

(21) Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Revenue from contracts with customers	\$ 1,798,919	\$ 2,081,230

A. The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

Major product line	For the three-month periods ended March 31, 2026		
	Screw segment	Machinery segment	Total
Screws and nuts	\$ 1,238,707	\$ -	\$ 1,238,707
Wire rods	253,090	-	253,090
Machinery and equipment	-	221,651	221,651
Others	55,306	30,165	85,471
	<u>\$ 1,547,103</u>	<u>\$ 251,816</u>	<u>\$ 1,798,919</u>

Main product line	For the three-month periods ended March 31, 2025		
	Screw segment	Machinery segment	Total
Screws and nuts	\$ 1,077,138	\$ -	\$ 1,077,138
Wire rods	356,801	-	356,801
Billet	351,905	-	351,905
Machinery and equipment	-	234,619	234,619
Others	42,533	18,234	60,767
	<u>\$ 1,828,377</u>	<u>\$ 252,853</u>	<u>\$ 2,081,230</u>

B. Contract liabilities

As of March 31, 2026, December 31, 2025, March 31, 2025 and January 1, 2025, the Group has recognized revenue-related contract liabilities of \$428,387, \$448,611, \$491,681 and \$493,416, respectively. Revenue recognized for the three-months ended March 31, 2026 and 2025, which was included in the contract liabilities at the beginning of the year, amounted to \$174,320 and \$165,672, respectively.

(22) Interest income

	For the three-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 2,170	\$ 6,052
Other interest	798	783
	<u>\$ 2,968</u>	<u>\$ 6,835</u>

(23) Other income

	For the three-month periods ended March 31,	
	2026	2025
Rent income	\$ 349	\$ 265
Government grants	166	121
Other income	3,999	10,332
	<u>\$ 4,514</u>	<u>\$ 10,718</u>

(24) Other gains and losses

	For the three-month periods ended March 31,	
	2026	2025
Net gain (losses) on financial assets at fair value through profit or loss	\$ 697	(\$ 23,927)
Gains on disposal of property, plant and equipment	11,395	2,514
Net foreign exchange gains	3,032	6,602
Compensation losses	-	(4,810)
Miscellaneous disbursements	(277)	(189)
	<u>\$ 14,847</u>	<u>(\$ 19,810)</u>

(25) Finance costs

	For the three-month periods ended March 31,	
	2026	2025
Interest expenses:		
Bank borrowings	\$ 9,919	\$ 2,601
Ordinary bonds payable	11,933	11,941
Convertible bonds payable	-	5,841
Interest on lease liabilities	2,801	2,001
	<u>\$ 24,653</u>	<u>\$ 22,384</u>

(26) Expenses by nature

	For the three-month periods ended March 31, 2026		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 223,650	\$ 105,040	\$ 328,690
Depreciation	67,144	16,048	783,224
Amortization	82	520	602
	<u>\$ 290,876</u>	<u>\$ 121,640</u>	<u>\$ 412,516</u>

	For the three-month periods ended March 31, 2025		
	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 188,491	\$ 107,160	\$ 295,651
Depreciation	54,052	16,048	70,100
Amortization	177	598	775
	<u>\$ 242,720</u>	<u>\$ 123,806</u>	<u>\$ 366,526</u>

(27) Employee benefit expense

	For the three-month periods ended March 31, 2026		
	Operating costs	Operating expenses	Total
Wages and salaries	\$ 191,378	\$ 88,901	\$ 280,279
Labor and health insurance fees	14,394	6,448	20,842
Pension costs	12,596	5,171	17,767
Other personnel expenses	5,282	4,520	9,802
	<u>\$ 223,650</u>	<u>\$ 105,040</u>	<u>\$ 328,690</u>

	For the three-month periods ended March 31, 2025		
	Operating costs	Operating expenses	Total
Wages and salaries	\$ 158,240	\$ 91,306	\$ 249,546
Labor and health insurance fees	14,519	5,812	20,331
Pension costs	10,420	5,580	16,000
Other personnel expenses	5,312	4,462	9,774
	<u>\$ 188,491</u>	<u>\$ 107,160</u>	<u>\$ 295,651</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation (of which at least 0.4% of earnings shall be distributed to non-managerial employees) and shall not be higher than 2% for directors' remuneration. However, if the Company has accumulated deficit, the earnings shall be reserved to offset losses.
- B. For the three-month periods ended March 31, 2026 and 2025, employees' compensation were accrued at \$500 and \$480, respectively; while directors' remuneration were accrued at \$500 and \$480, respectively. The aforementioned amounts were recognized in salary expenses and were accrued based on the earnings of current year and the percentage prescribed by the Company's Articles of Incorporation. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 5, 2026 were \$1,340 and \$1,330, respectively, and the employees' compensation will be distributed in the form of cash, consistent with the amount recognized on the financial statements for the year ended December 31, 2025. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 5, 2026 were \$1,340 and \$1,330, respectively, and the employee's compensation will be distributed in the form of cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Components of income tax expenses:

(a) Components of income tax expenses:

	For the three-month periods ended March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 35,902	\$ 33,387
Prior year income tax over under estimation	(3,637)	1,710
Total current tax	32,265	35,097
Deferred tax:		
Origination and reversal of temporary differences	(6,623)	(4,806)
Income tax expense	\$ 25,642	\$ 30,291

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the three-month periods ended March 31,	
	2026	2025
Financial statements translation differences of foreign operation	\$ 21,266	(\$ 3,704)

B. The Company's and its domestic subsidiaries' income tax returns through 2023 have been assessed and approved by the Tax Authority. The Company and its domestic subsidiaries did not have any administrative remedy as of May 7, 2026.

(29) Earnings per share

	For the three-month periods ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic and diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 33,827)	278,733	(\$ 0.12)

	For the three-month periods ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,793	278,733	\$ 0.09
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,793	278,733	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	192	
Convertible bonds	2,770	42,667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 28,563	321,592	\$ 0.09

(30) Supplementary cash flow information

A. Investment and financing activities with partial cash payments:

	For the three-month periods ended March 31,	
	2026	2025
(a) Acquisition of property, plant and equipment	\$ 49,840	\$ 34,700
Add: Opening balance of payable on equipment (listed as 'Other payables')	24,903	8,024
Less: Ending balance of payable on equipment (listed as 'Other payables')	(20,328)	(11,992)
Cash paid for acquisition of property, plant and equipment	\$ 54,415	\$ 30,732
	For the three-month periods ended March 31,	
	2026	2025
(b) Cash dividends declared	\$ 106,379	\$ 336,768
Less: Dividends received by subsidiaries for holding the parent company's shares	(7,029)	(23,430)
Ending balance of payable on cash dividends (listed as 'Other payables')	(99,350)	(313,338)
Cash dividends paid	\$ -	\$ -

B. Operating and investing activities with no cash flow effects:

	For the three-month periods ended March 31,	
	2026	2025
(a) Write-offs of uncollectible receivables	\$ 4,364	\$ 9,588
(b) Accounts receivable transferred to other receivables	\$ -	\$ 10,175
(c) Prepayments for equipment transferred to property, plant and equipment	\$ 6,254	\$ 1,604

(31) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liability	Bonds Payable	Long-term borrowings (including current portion)	Guarantee Deposits received	Liabilities from Financing activities-gross
January 1, 2026	\$ 1,574,866	\$ 49,979	\$ 295,921	\$ 2,997,751	\$ 166,540	\$ 457	\$ 5,085,514
Changes in cash flow from financing activities	(161,734)	-	(25,761)	-	259,275	-	71,780
Changes in unamortized discount	-	(32)	-	199	-	-	167
Changes in other non-cash items	-	-	837	-	-	-	837
Effect of changes in foreign exchange rate	-	-	1,472	-	-	-	1,472
March 31, 2026	<u>\$ 1,413,132</u>	<u>\$ 49,947</u>	<u>\$ 272,469</u>	<u>\$ 2,997,950</u>	<u>\$ 425,815</u>	<u>\$ 457</u>	<u>\$ 5,159,770</u>

	Short-term borrowings	Lease liability	Bonds Payable (including current portion)	Long-term borrowings (including current portion)	Guarantee Deposits received	Liabilities from Financing activities-gross
January 1, 2025	\$ 260,877	\$ 111,406	\$ 4,593,680	\$ 23,123	\$ 457	\$ 4,989,543
Changes in cash flow from financing activities	69,817	(13,264)	-	(1,646)	-	54,907
Changes in unamortized discount	-	-	3,463	-	-	3,463
Changes in other non-cash items	-	268,501	-	-	-	268,501
Effect of changes in foreign exchange rate	-	1,277	-	-	-	1,277
March 31, 2025	<u>\$ 330,694</u>	<u>\$ 367,920</u>	<u>\$ 4,597,143</u>	<u>\$ 21,477</u>	<u>\$ 457</u>	<u>\$ 5,317,691</u>

7. Related Party Transactions

(1) Name and relationship of related party

<u>Name of related party</u>	<u>Relationship with the Group</u>
Ofco Industrial Corp. (Ofco)	Other related party
Gloria Material Technology Corp. (GMTC)	Other related party
TSG Transportation Corp. (TSG Transportation)	Other related party
TSG Environmental Technology Corp. (TSG Environmental)	Other related party
TSG Power Corp. (TSG Power)	Other related party
TSG Aerospace Technology Corp.	Other related party
Golden Win Steel Industrial Corp. (Golden Win)	Other related party
Shanghai Wangzhan Trading Co., Ltd. (Shanghai Wangzhan)	Other related party
Jia Jie Biomedical Co., Ltd. (Jia Jie)	Other related party
Mixiang Foods Co., Ltd. (Mixiang)	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Sales of goods:		
Other related parties	<u>\$ 114,439</u>	<u>\$ 99,156</u>

Goods are sold to related parties based on the terms that would be available to third parties and the average credit term is 2 months. The credit terms for machinery and equipment sales are based on the terms specified in the contracts, some of which are sold on installment over a period of 1 ~ 3 years, and for spare parts sales are 3 ~ 4 months.

B. Purchase

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Purchases of goods:		
Other related parties	<u>\$ -</u>	<u>\$ 126,658</u>

Goods are purchased from related parties based on the prices and terms that would be available to third parties and the average payment terms are 1 ~ 2 months. However, both parties may negotiate to extend payment terms according to the funds available.

C. Property transaction

Acquisition of assets:

		<u>For the three-month periods ended March 31,</u>	
Other related parties	<u>Objects</u>	<u>2026</u>	<u>2025</u>
	Machinery and equipment	<u>\$ 928</u>	<u>\$ 560</u>

The Group purchases property, plant and equipment from related parties at a negotiated price.

D. Leasing Arrangements – Lessee

- (a) The Group leased buildings and machinery and equipment from Ofco in March 2025. Rental contracts are made for periods of 3 to 7 years. Rents are paid monthly in

accordance with the contract terms.

(b) Acquisition of right-of-use assets

	For the three-month periods ended March 31,	
	2026	2025
Ofco	\$ -	\$ 262,885

(c) Lease liabilities:

a. Ending balance

	March 31, 2026	December 31, 2025	March 31, 2025
Ofco	\$ 113,444	\$ 127,607	\$ 257,385

b. Interest expense

	For the three-month periods ended March 31,	
	2026	2025
Ofco	\$ 1,187	\$ 861

E. Other expenses

	For the three-month periods ended March 31,	
	2026	2025
Other related parties	\$ 9,153	\$ 15,629

F. Other income

	For the three-month periods ended March 31,	
	2026	2025
Other related parties	\$ 13	\$ 2,085

G. Receivable from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts Receivable :			
Ofco	\$ 120,222	\$ 105,930	\$ 17,369
Other Receivable :			
Other related parties	\$ 1	\$ 1	\$ 108

H. Prepayments

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties	\$ -	\$ 289	\$ 7,687

Guarantee deposits paid

	March 31, 2026	December 31, 2025	March 31, 2025
Ofco	\$ 10,233	\$ 10,233	\$ 12,192

I. Contract liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties	\$ -	\$ -	\$ 3,300

J. Payables to related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable :			
Ofco	\$ -	\$ -	\$ 67,560
Other related parties	-	290	-
	\$ -	\$ 290	\$ 67,560
Other payables :			
Other related parties	\$ 9,242	\$ 9,356	\$ 15,635

K. Advance receipts

	March 31, 2026	December 31, 2025	March 31, 2025
Mixiang	\$ 12,249	\$ 12,249	\$ 12,249

(3) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Wages and salaries and other short-term benefits	\$ 16,028	\$ 17,841

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Pledged demand deposits (Note 1)	\$ 8,592	\$ 9,311	\$ 14,817	Guarantee, collateral for short-term borrowings
Inventories	79,200	79,200	79,200	Collateral for short-term and long-term borrowings
Listed stocks (Note 2)	59,670	47,844	-	Collateral for borrowings
Land (Note 3)	453,275	453,275	453,275	Collateral for short-term and long-term borrowings and bonds payable
Buildings, net (Note 3)	103,991	104,668	106,702	Collateral for short-term and long-term borrowings and bonds payable
Machinery and equipment, net (Note 3)	141,993	141,145	49,808	Collateral for short-term and long-term borrowings
	<u>\$ 846,721</u>	<u>\$ 835,443</u>	<u>\$ 703,802</u>	

(Note 1) Listed as 'Financial assets at amortized cost-current'.

(Note 2) Listed as 'Non-current financial assets at fair value through other comprehensive income'.

(Note 3) Listed as 'Property, plant and equipment'.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

- (1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's capital expenditures contracted for at the balance sheet date but not yet incurred were \$66,772, \$88,466 and \$16,770, respectively.
- (2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's line of credit issued but not yet negotiated were \$20,322, \$27,666 and \$42,521, respectively.
- (3) Information on provision of endorsements and guarantees to others is provided in Note 13(1)B.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Company's Board of Directors resolved in May 7, 2026, to approve the mutual agreement with the related party, Ofco Industrial Corp., to early terminate the lease agreement, which was originally scheduled to expire in 2028, by the end of May 2026. The Board also authorized the Chairman to handle all subsequent matters in accordance with operational needs.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

Details of the Group's financial instruments by category are provided in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for over all risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) The Group operates internationally and is exposed to exchange rate risk arising

from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the RMB, USD and IDR. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

- (ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. The Group treasury uses forward foreign exchange contracts to manage the foreign exchange risk arising from future commercial transactions and recognized assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- (iii) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB and IDR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	March 31, 2026		
	Foreign currency		Book value
	amount (In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 9,744	32.00	\$ 311,753
RMB : NTD	11,379	4.62	52,609
USD : RMB	2,564	6.92	82,016
EUR : NTD	455	36.71	16,720
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : IDR	593	17,019	18,985

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency		Book value
	amount (In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 9,899	31.43	\$ 311,120
RMB : NTD	1,670	4.47	7,469
USD : RMB	1,207	7.03	37,953
EUR : NTD	441	36.90	16,267
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : IDR	593	16,718	18,649

(Foreign currency: functional currency)	March 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 10,366	33.21	\$ 344,213
RMB : NTD	18,710	4.63	86,545
USD : RMB	1,219	7.1782	40,479
EUR : NTD	413	35.97	14,868
JPY : NTD	58,425	0.2227	13,001
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : IDR	879	16,357	29,713

The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1%, the Group's net income would have decreased/increased by \$3,521 and \$3,754 for the three-month periods ended March 31, 2026, and 2025, respectively.

The total exchange gains, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group amounted to \$3,032 and \$6,602 for the three-month periods ended March 31, 2026 and 2025, respectively.

ii. Price risk

- (i) The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- (ii) The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit would have increased/decreased by \$4,238 and \$4,075 for the three-month periods ended March 31, 2026 and 2025, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have decreased/increased by \$8,427 and \$5,983, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Group's main interest rate risk arises from some borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the three-month periods ended March 31, 2026 and 2025, the Group's borrowings at

variable rate were mainly denominated in NTD, USD and IDR.

- (ii) The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax would have increased /decreased by \$197 and \$180 for the three-month periods ended March 31, 2026 and 2025, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. 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.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. If the default rate of an investment target exceeds 10%, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- vii. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix to estimate the expected credit loss and uses the historical and timely information to establish loss rate for assessing the default possibility of accounts receivable. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

	For the three-month periods ended March 31, 2026		
	Notes receivable	Accounts receivable	Total
Balance at January 1	\$ 206	\$ 25,090	\$ 25,296

Expected credit (gain) loss	(	56)		2,471		2,415
Write-offs		-	(	4,364)	(	4,364)
Effect of foreign exchange		6		221		227
Balance on March 31,	\$	156	\$	23,418	\$	23,574

For the three-month periods ended March 31, 2025						
	Notes receivable		Accounts receivable		Total	
Balance on January 1	\$	65	\$	27,968	\$	28,033
Expected credit gain	(	11)	(	2,896)	(	2,907)
Write-offs		-	(	9,588)	(	9,588)
Effect of foreign exchange		1		216		217
Balance on March 31,	\$	55	\$	15,700	\$	15,755

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

March 31, 2026	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 1,421,067	\$ -	\$ -	\$ -
Short-term notes and bills payable	50,000	-	-	-
Accounts payable	454,292	-	-	-
Other payables	429,969	-	-	-
Lease liability	113,185	103,077	68,810	4,018
Bonds payable	1,950	1,950	3,001,950	-
Long-term borrowings (including current portion)	42,906	358,754	77,858	-
Guarantee deposits received	457	-	-	-

December 31, 2025	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 1,585,861	\$ -	\$ -	\$ -
Short-term notes and bills payable	50,000	-	-	-
Notes payable	67	-	-	-
Accounts payable	438,103	-	-	-
Other payables	369,024	-	-	-
Lease liability	112,379	108,266	85,448	8,036
Bonds payable (including current portion)	1,950	1,950	3,001,950	-
Long-term borrowings (including current portion)	8,351	155,648	5,446	-
Guarantee deposits received	457	-	-	-

March 31, 2025	Less than 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 334,036	\$ -	\$ -	\$ -
Notes payable	118	-	-	-
Accounts payable	550,896	-	-	-
Other payables	652,565	-	-	-
Lease liability	106,637	108,071	150,958	20,202
Bonds payable (including current portion)	1,601,950	1,950	3,003,900	-
Long-term borrowings (including current portion)	6,927	6,820	8,509	-
Guarantee deposits received	457	-	-	-

- iii. For non-derivative financial liabilities, the Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to 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 that the entity can access 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, emerging stocks with active market and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, except those included in Level 1 quotes. The Group's investment in listed company stocks through private placement (with liquidity discounts of 7.53% and 14.62%, respectively) is included.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in structured notes without active market is included in Level 3.

- B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost-current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, bonds payable(including current portion), long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.
- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>March 31, 2026</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 147,962	\$ 257,300	\$ -	\$ 405,262
Structured instruments	-	-	18,493	18,493
	<u>147,962</u>	<u>257,300</u>	<u>\$ 18,493</u>	<u>423,755</u>
Financial assets at fair value through other comprehensive income				
Equity securities	765,039	77,700	-	842,739
	<u>\$ 913,001</u>	<u>\$ 335,000</u>	<u>\$ 18,493</u>	<u>\$ 1,266,494</u>
<u>Non-recurring fair value</u>				
<u>measurements</u>				
Non-current assets held for sale	\$ -	\$ -	\$ 28,377	\$ 28,377

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 156,437	\$ 247,800	\$ -	\$ 404,237
Structured instruments	-	-	31,320	31,320
	<u>156,437</u>	<u>247,800</u>	<u>31,320</u>	<u>435,557</u>
Financial assets at fair value through other comprehensive income				
Equity securities	738,795	84,000	-	822,795
	<u>\$ 895,232</u>	<u>\$ 331,800</u>	<u>\$ 31,320</u>	<u>\$ 1,258,352</u>
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	\$ -	\$ -	\$ 28,377	\$ 28,377
<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 181,273	\$ 226,250	\$ -	\$ 407,523
Financial assets at fair value through other comprehensive income				
Equity securities	516,617	81,690	-	598,307
	<u>\$ 697,890</u>	<u>\$ 307,940</u>	<u>\$ -</u>	<u>\$ 1,005,830</u>
<u>Non-recurring fair value measurements</u>				
Non-current assets held for sale	\$ -	\$ -	\$ 28,377	\$ 28,377

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Emerging stock</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Closing price	Net asset value
(b) 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 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(i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

- (c) Details of the non-current assets held for sale are provided in 6(9) 'Non-current assets held for sale'.
- E. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- F. For the three-month periods ended March 31, 2026 and 2025 there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2026 and 2025:

	Non-current assets held for sale	
	For the three-month periods ended March 31,	
	2026	2025
At January 1	\$ 59,697	\$ 28,377
Purchases	97,089	-
Disposal	(110,004)	-
Recognized in profit or loss	88	-
At March 31	<u>\$ 46,870</u>	<u>28,377</u>

- H. Financial segment is in charge of valuation procedures for fair value measurements being categorized within 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 resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value.
- I. 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:

	Fair value at March 31, 2026	Valuation technique	Significant Unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Structured instruments	\$ 18,493	Cash flow method	Expected return	0.65~1.55	The higher the multiple, the higher the fair value
Non-current assets held for sale	122,666	Negotiation	Not Applicable	Not Applicable	Not Applicable

	Fair value at December 31, 2025	Valuation technique	Significant Unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Structured instruments	\$ 31,320	Cash flow method	Expected return	1.01~1.02	The higher the multiple, the higher the fair value
Non-current assets held for sale	122,666	Negotiation	Not Applicable	Not Applicable	Not Applicable
	Fair value at March 31, 2025	Valuation technique	Significant Unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Non-current assets held for sale	\$ 122,666	Negotiation	Not Applicable	Not Applicable	Not Applicable

- J. The Group has carefully evaluated and selected the valuation model and valuation parameters applied; therefore, the measurement of fair value is considered reasonable. However, the use of different valuation models or valuation parameters may result in different valuation outcomes. For financial assets and financial liabilities classified as Level 3, any changes in valuation parameters would have the following impacts on the current period's profit or loss or other comprehensive income:

For the three-month periods ended March 31,2026						
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Structured instruments	Expected return	±10%	\$ 25	(\$ 25)	\$ -	\$ -
For the three-month periods ended March 31,2025						
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Structured instruments	Expected return	±10%	\$ 2	(\$ 2)	\$ -	\$ -

13. Supplementary Disclosures

(According to the current regulatory requirements, the Company is only required to disclose the information for the three-month periods ended March 31, 2026)

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: Purchases and sales between the Company and investees in Mainland China are eliminated when preparing consolidated financial statements. Information on significant transactions, such as purchases and sales, receivables and payables, provision of endorsements and guarantees and financing, is provided in Note 13(1) B and F.

14. Segment Information

(1) General information

- A. Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group's reportable segments are as follows:
 - (a) Screw segment: Primarily engaging in the manufacture, process and trade of screws and nuts, etc.
 - (b) Machinery segment: Primarily engaging in the manufacture, assembly and trading of machine tools and chemical machinery, etc.
 - (c) Investment segment: Primarily engaging in the general investment.
- B. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.
- C. The Group's chief operating decision-maker assesses the performance based on the segment's net operating profit. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4 in the consolidated financial statements.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month periods ended March 31, 2026			
	Screw segment	Machinery segment	Investment segment	Total
Segment revenue	\$ 1,677,553	\$ 272,420	\$ -	\$ 1,949,973
Inter-segment revenue	(130,450)	(20,604)	-	(151,054)
Revenue from external customers, net	1,547,103	251,816	-	1,798,919
Segment income(loss) before tax	80,256	(15,409)	(18,350)	46,497
Segment assets	9,592,932	1,845,276	167,055	11,605,263
Segment liabilities	6,123,622	950,087	5,428	7,079,137

	For the three-month periods ended March 31, 2025			
	Screw segment	Machinery segment	Investment segment	Total
Segment revenue	\$ 1,952,297	\$ 266,493	\$ -	\$ 2,218,790
Inter-segment revenue	(123,920)	(13,640)	-	(137,560)
Revenue from external customers, net	1,828,377	252,853	-	2,081,230
Segment income before tax	131,860	10,888	1,381	144,129
Segment assets	10,461,467	1,894,015	122,210	12,477,692
Segment liabilities	6,701,197	911,027	76	7,612,300

(3) Reconciliation for segment profit or loss, assets and liabilities

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. A reconciliation of reportable segment income or loss before tax to the income/(loss) before tax is provided as follows:

	For the three-month periods ended March 31,	
	2026	2025
Reportable operating segments income before tax	\$ 46,497	\$ 144,129
Elimination of inter-segment income (loss)	(48,688)	(67,602)
Profit before income tax	(\$ 2,191)	\$ 76,527

- B. The amounts provided to the chief operating decision maker with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. Therefore, such reconciliation is not required.

Chun Yu Works & Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
For the three-month periods ended March 31, 2026

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 1)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Chun Yu Works & Co., Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	2	\$ 2,290,837	\$ 319,950	\$ 319,950	\$ -	\$ -	8.38%	\$ 3,054,449	Y	N	Y	(Note 2)

(Note 1) The numbers filled in for the relationship with the Company are as follows:

1. Having business relationship.
2. The Company direct and indirect owns over 50% ownership of the investee company.

(Note 2) The total amount of transactions of endorsement equals to 80% of the Company's net worth, the limit of endorsement for any single entity is 60% of the Company's net worth,
and all of the related transactions are to be submitted to the stockholders' meeting for reference.

(Note 3) Foreign currencies are translated into New Taiwan dollars. Exchange rate of foreign currencies indicated as of report date were as follow: USD : NTD 1 : 31.9950 ; RMB : NTD 1 : 4.6233.

Chun Yu Works & Co., Ltd. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
March 31, 2026

Table 2

Expressed in thousands of NTD

				As of March 31, 2026				
		Relationship with the securities issuer	General ledger account (Note 1)	Number of shares (In thousands of shares or units)	Book value	Ownership (%)	Fair value	Footnote
Securities held by	Marketable securities							
Chun Yu Works & Co., Ltd.	Stocks - Taiwan Styrene Monomer Corporation	—	3	11,678	\$ 129,042	2.21	\$ 129,042	-
	Stocks - Gloria Material Technology Corporation	Other related party	3	5,526	175,174	0.92	175,174	-
	Stocks - King Kong Iron Works, Ltd.	—	3	304	772	0.55	772	-
	Stocks - King House CO., Ltd.	—	2	5,000	257,300	2.96	257,300	-
	Stocks - Argo Yachts Development Co.,Ltd.	—	1	4,500	65,700	3.22	65,700	-
	Stocks - TSG Development Co., Ltd. (Note 2)	—	3	7,000	77,700	4.80	77,700	-
	Stocks - IBF Financial Holdings Co., Ltd.	—	3	11,696	174,275	0.32	174,275	-
Chun Bang Precision Co., Ltd.	Stocks - S-TECH Co., Ltd.	—	1	3,000	65,250	1.29	65,250	-
	Stocks - The First Insurance Co., Ltd.	—	1	10	257	-	257	-
	Stocks - Taiwan Styrene Monomer Corporation	—	3	6,440	71,162	1.22	71,162	-
Chun Yu Investment Corp.	Stocks - Chun Yu Works & Co., Ltd.	The Company	(Note 3)	23,430	370,197	7.75	370,197	-
	Stocks - Ofco Industrial Corporation	—	1	545	7,249	0.54	7,249	-
	Stocks - TMP Steel Corporation	—	1	435	8,743	0.44	8,743	-
	Stocks - SCI Pharmtech, Inc.	—	1	15	763	0.01	763	-
	Stocks - Taiwan Styrene Monomer Corporation	—	3	6,618	73,129	1.25	73,129	-
	Stocks - King House CO., Ltd.	—	3	84	4,620	0.05	4,620	-
Chun Yu Bio-tech Corp.	Stocks - Chun Zu Machinery Industry Co., Ltd.	Subsidiary	(Note 4)	9	191	0.01	191	-
	Stocks - Taiwan Styrene Monomer Corporation	—	3	1,500	16,575	0.28	16,575	-
	Stocks - Jia Jie Biomedical Co., Ltd.	Other related party	3	750	9,563	0.63	9,563	-
	Stocks - IBF Financial Holdings Co., Ltd.	—	3	7,431	110,727	0.20	110,727	-
Shanghai Uchee Hardware	Structured Deposit- Bank of Communications	—	1	-	18,493	-	18,493	-

(Note 1) The code number explanation is as follows:

1. Financial assets at fair value through profit or loss - current.
2. Financial assets at fair value through profit or loss- non-current.
3. Financial assets at fair value through other comprehensive profit or loss- non-current.

(Note 2) Originally named : DataVan International Corporation

(Note 3) Information relating to the Company's stocks is provided in Note 6(17), 'Share capital'.

(Note 4) The Company's stocks held by Chun Yu Bio-tech Corp., listed as 'Financial assets at fair value through other comprehensive profit or loss- non-current', were when the group prepared the consolidated financial statements and fully eliminated.

Chun Yu Works & Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the three-month periods ended March 31, 2026

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
			(Sales)	(\$							
Chun Yu Works & Co., Ltd.	Ofco Industrial Corporation	Other related party	(Sales)	114,439)	-6%	2~3 month	\$ -	1 ~ 4 months	\$ 120,222	7%	-

(Note) Foreign currencies are translated into New Taiwan Dollars using the following exchanges: Ending balance of receivable and payable are translated using the exchange rates as of report date (USD : NTD 1 : 31.9950RMB : NTD 1 : 4.6233), and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the three-month periods ended March 31, 2026 (USD : NTD 1 : 31.6505, RMB : NTD 1 : 4.5545).

Chun Yu Works & Co., Ltd. and subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital
March 31, 2026

Table 4

Expressed in thousands of NTD

Company Name	Name of the counterparty	Relationship	Receivables from related party		Turnover rate	Overdue receivables			
			General ledger account	Amount		Amount	Action taken for overdue accounts	Subsequent collections	Allowance for doubtful accounts
Chun Yu Works & Co., Ltd.	Ofco Industrial Corporation	Other related party	Accounts Receivable	\$ 120,222	1.01	\$ -	-	\$ 57,858	\$ -

Chun Yu Works & Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
For the three-month periods ended March 31, 2026

Table 5

Expressed in thousands of NTD

Number (Note2)	Company name	Counterparty	Relationship (Note 3)	Transaction			Percentage of consolidated total operating revenue or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Chun Yu Works & Co., Ltd.	Chun Yu Works (USA) Inc.	1	Sales	\$ 32,952	4 months	2%
		Chun Yu Works (USA) Inc.	1	Accounts receivable	33,509	-	-
		Chun Yu (Dongguan) Metal Products Co., Ltd.	1	Provision of endorsements and guarantees	319,950	-	3%
		Scholar Holdings Ltd.	1	Other receivables	12,000	-	-
		Chun Zu Machinery Industry Co., Ltd.	1	Other receivables	14,411	-	-
		Chun Bang Precision Co., Ltd.	1	Other receivables	13,600	-	-
1	Chun Bang Precision Co., Ltd.	Chun Yu Works & Co., Ltd.	2	Sales	17,369	-	1%
		Chun Yu Works & Co., Ltd.	2	Accounts receivable	11,561	-	-
2	Chun Zu Machinery Industry Co., Ltd.	Pt Moon Lion Industries Indonesia	3	Sales	13,504	2 months	1%
		Pt Moon Lion Industries Indonesia	3	Accounts receivable	13,673	-	-
3	Chun Yu (Dongguan) Metal Products Co., Ltd.	Shanghai Uchee Hardware Products Ltd.	3	Sales	30,939	3 months	2%
		Scholar Holdings Ltd.	3	Other receivables	14,651	-	-
4	Shanghai Uchee Hardware Products Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	3	Sales	40,173	3 months	2%
5	Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Chun Yu (Dongguan) Metal Products Co., Ltd.	3	Accounts receivable	31,520	-	-

(Note 1) 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 \$10 million and the transactions are disclosed in asset and income aspects.

(Note 2) The transaction information of the Company and the consolidated subsidiaries should be noted in column "Number". The number means:

1. Number 0 presents the Company.
2. The consolidated subsidiaries are in order from number 1.

(Note 3) The relationships among the transaction parties are as follows:

1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

(Note 4) The percentage of transaction amount over consolidated total revenues or total assets is as follows: Assets and liabilities are calculated using the ending balance over the consolidated total assets at period end; Sales is calculated using the amount of the period over the consolidated total revenue of the period.

(Note 5) For the amounts denominated in foreign currencies, the balances of notes/accounts receivable (payable) are translated into New Taiwan dollars at the exchange rate (USD : NTD 1 : 31.9950 ; RMB : NTD 1 : 4.6233) ; prevailing at the financial reporting date, and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the three-month periods ended March 31, 2026 (USD : NTD 1 : 31.6505 ; RMB : NTD 1 : 4.5545).

Table 6

Chun Yu Works & Co., Ltd. and subsidiaries
Information on investees
For the three-month periods ended March 31, 2026

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	of the investee for the three-month periods ended March 31, 2026	recognised by the Company ended March 31, 2026	
Chun Yu Works & Co., Ltd.	Chun Bang Precision Co., Ltd.	Taiwan	Manufacture and trade of moulds	\$ 125,344	\$ 125,344	17,000,000	100.00	\$ 188,338	\$ 447	\$ 4,125	subsidiary
	Chun Yu Works (U.S.A.) Inc.	U.S.A.	Import and export of hardware products	114,728	114,728	3,800,000	100.00	435,083	4,502	5,186	subsidiary
	Chun Yu Investment Corporation	Taiwan	Professional investment	267,652	267,652	74,888,032	100.00	161,627	1,566	1,566	subsidiary
	Chun Yu Bio-tech Corporation	Taiwan	Powder metallurgy	90,260	90,260	10,000,000	100.00	65,105 (	3,161) (	3,164)	subsidiary
	Scholar Holdings Ltd.	Virgin Islands	Reinvestment and import and export trade	2,581,891	2,581,891	33,183,211	100.00	1,180,093	7,192	9,429	subsidiary
	Sunny City International Ltd.	Samoa	Reinvestment and import and export trade	84,824	84,824	1,000,000	100.00	241,128	2,013	2,013	subsidiary
	Pt Moon Lion Industries Indonesia	Indonesia	Manufacture and trade of screws and nuts	297,226	297,226	16,646,523	83.23	1,087,673	74,440	61,957	subsidiary
	Chun Zu Machinery Industry Co., Ltd.	Taiwan	Manufacture and trade of machinery	52,597	52,597	28,821,939	47.81	446,874 (	12,413) (	5,944)	subsidiary
Chun Zu Machinery Industry Co., Ltd.	Lion City Management Ltd.	Virgin Islands	Professional investment	62,860	62,860	-	100.00	498,781	7,008	-	subsidiary (Note 1)

(Note 1) According to the related regulations, it is not required to disclose income (loss) recognized by the Company.

(Note 2) Foreign currencies are translated into New Taiwan Dollars using the following exchanges:

Ending balance of receivable and payable are translated using the exchange rates as of report date:(USD : NTD 1 : 31.9950 ; RMB : NTD 1 : 4.6233).

and the transactions amounts are translated into New Taiwan dollars at the average exchange rate for the three-month periods ended March 31, 2026 as follows: USD : NTD 1 : 31.6505 ; RMB : NTD 1 : 4.5545.

Table 7

<u>Chun Yu Works & Co., Ltd. and subsidiaries</u> <u>Information on investments in Mainland China</u> <u>For the three-month periods ended March 31, 2026</u>														Expressed in thousands of NTD
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month periods ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three-month periods ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month periods ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income to Taiwan as of March 31, 2026		Footnote
					Remitted to Mainland China	Remitted back to Taiwan								
Chun Yu (Dongguan) Metal Products Co., Ltd.	Manufacture and trade of screws and nuts	\$ 2,063,070 (Note 1)	(Note 3)	\$ 1,541,935	\$ -	\$ -	\$ 1,541,935	\$ 7,192	100%	\$ 7,192	\$ 1,208,390	\$ -		(Note 9)
Shanghai Uchee Hardware Products Ltd.	Trade of screws and nuts	31,995	(Note 4)	31,995	-	-	31,995	2,305	100%	2,305	223,221	152,072 (Note 7)		(Note 9)
Chunyu Group Shanghai Tongsheng Trade Co., Ltd.	Trade of screws and nuts	8,511	(Note 5)	-	-	-	- (	393)	100%	(393)	(4,505)	-		(Note 9)
Shanghai Chun Zu Machinery Industry Ltd.	Manufacture and trade of machinery	271,958 (Note 2)	(Note 6)	63,990	-	-	63,990	6,973	47.82%	3,334	235,535	576,474 (Note 8)		(Note 10)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 10)
Chun Yu Works & Co., Ltd.	\$ 1,808,133	\$ 1,808,133	\$ 2,715,676
Chun Zu Machinery Industry Co., Ltd.	63,990	207,968	606,669

(Note 1) The investment in Chun Yu (Dongguan) Metal Products Co., Ltd. amounted to US\$64,481 thousand, consisting of US\$48,193 thousand that has been reported to the Investment Commission and US\$16,288 thousand from an investment loan from Scholar Holdings Ltd.

(Note 2) The paid-in capital of Shanghai Chun Zu Machinery Industry Ltd. amounted to UD\$8,500 thousand, consisting of UD\$4,000 thousand from remittance from Chun Zu Machinery Industry Co., Ltd. through its subsidiary, Lion City Management Ltd.

and US\$4,500 thousand from capitalisation of retained earnings of Shanghai Chun Zu Machinery Industry Ltd., which were reported to the Investment Commission. In addition, proceeds from capital reduction of Lion City Management Ltd. in 2008 amounting to US\$2,000 thousand were reported to the Investment Commission.

(Note 3) Indirect investment in PRC through the existing company (Scholar Holdings Ltd.) located in the third area.

(Note 4) Indirect investment in PRC through the existing company (Sunny City International Ltd.) located in the third area.

(Note 5) Indirect investment in PRC through the existing company (Shanghai Uchee Hardware Products Ltd.) located in PRC.

(Note 6) Indirect investment in PRC through the existing company (Lion City Management Ltd.) located in the third area.

(Note 7) It is the cash dividends totaling US\$4,753 thousand distributed by Shanghai Uchee Hardware Products Ltd. to Sunny City International Ltd., which then remitted to the Company and Chun Bang Precision Co., Ltd.

(Note 8) It is the cash dividends amounting to US\$39,479 thousand distributed by Shanghai Chun Zu Machinery Industry Ltd. to Lion City Management Ltd., which then remitted to Chun Zu Machinery Industry Co., Ltd.

(Note 9) Investment gains or losses were recognised based on audited financial statements.

(Note 10) The ceiling is calculated based on the 60% of the investor's net assets or consolidated net assets (whichever is higher).

(Note 11) For the amounts denominated in foreign currencies, the paid-in capital, amount of remittance from Taiwan and book value as of March 31, 2026 are translated into New Taiwan dollars at the exchange rate (USD : NTD 1 : 31.9950 ; RMB : NTD 1 : 4.6233) prevailing at the financial reporting date, and the net profit (loss) of the investee and investment income (loss) recognised by the Group are translated into New Taiwan dollars at the average exchange rate for the three-month periods ended March 31, 2026 (USD : NTD 1 : 31.6505 ; RMB : NTD 1 : 4.5545).