

**YUNG CHI PAINT & VARNISH MFG. CO., LTD
AND SUBSIDIARIES**

**Consolidated Financial Statements for the period
from January 1 to September 30, 2025 and 2024 and
Independent Auditors' Review Report**

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Independent Auditors' Review Report

To Yung Chi Paint & Varnish Mfg. Co., Ltd.:

Introduction

We have reviewed the consolidated balance sheet of YUNG CHI PAINT & VARNISH MFG. CO., LTD ("YUNG CHI" hereinafter) and its subsidiaries as of September 30, 2025 and 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flow for the period from July 1 to September 30, and January 1 to September 30, 2025 and 2024, and the notes to the consolidated financial statements (including the summary of significant accounting policies). Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as International Accounting Standards 34 "Interim Financial Reporting" endorsed and announced by Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on reviews.

Scope of Review

We conducted our review in accordance with the Statement of Review Standards No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". The review procedures of consolidated financial statement consist of making inquiries, primarily of persons responsibility for financial and accounting matters, and applying analytical and other review procedures. Scope of review is less in scope of audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit procedures. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that cause us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Yung Chi and its subsidiaries as of

September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flow for the period from July 1 to September 30, and January 1 to September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as International Financial Reporting Standards 34 "Interim Financial Reporting" endorsed and announced by Financial Supervisory Commission.

The engagement partners on the reviews resulting in this independent auditors' review report are Jui-Hsuan Hsu and Yu-Hsiang Liu.

Deloitte & Touche

Taipei, Taiwan

Republic of China

November 10, 2025

Notice to Readers

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

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

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries
Consolidated Balance Sheets

Unit: NT\$1,000

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 1,423,972	13	\$ 1,126,750	10	\$ 831,691	7
1110	Financial assets at fair value through profit or loss (Note 7)	219,682	2	415,223	4	413,628	4
1120	Financial assets at fair value through other comprehensive income (Note 8)	349,224	3	385,527	3	418,415	4
1140	Contract assets (Note 22)	175,386	2	131,179	1	113,345	1
1150	Notes receivable, net (Note 9)	351,503	3	444,124	4	486,063	4
1160	Notes receivable - related parties (Notes 9 and 27)	43,968	-	53,996	-	36,096	-
1170	Accounts receivable, net (Note 9)	1,670,088	15	1,860,751	16	1,529,735	14
1180	Accounts receivable - related parties (Notes 9 and 27)	125,223	1	138,072	1	108,712	1
1200	Other receivables (Notes 9 and 27)	15,349	-	23,452	-	20,668	-
130X	Inventories (Note 10)	2,433,930	21	2,481,570	21	2,601,971	23
1476	Other financial assets (Notes 11 and 28)	704,431	6	660,716	6	673,601	6
1479	Other current assets	135,602	1	137,174	1	156,325	1
11XX	Total current assets	<u>7,648,358</u>	<u>67</u>	<u>7,858,534</u>	<u>67</u>	<u>7,390,250</u>	<u>65</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (Note 8)	30,082	-	29,580	-	30,070	-
1535	Non-current financial assets at amortised cost	100	-	-	-	-	-
1550	Investments accounted for using equity method (Note 13)	25,495	-	34,085	-	36,000	-
1600	Property, plant and equipment (Notes 14 and 28)	3,152,851	28	3,268,879	28	3,273,147	29
1755	Right-of-use assets (Note 15)	284,408	2	320,418	3	324,407	3
1760	Investment property (Note 16)	200,752	2	202,015	2	202,436	2
1780	Intangible assets	2,704	-	3,286	-	2,542	-
1840	Deferred income tax assets	44,142	1	40,835	-	49,012	1
1915	Equipment prepayments	42,619	-	45,120	-	35,964	-
1920	Guarantee deposits paid	23,355	-	20,830	-	19,506	-
1975	Net defined benefit assets (Notes 4 and 20)	27,851	-	22,662	-	-	-
1980	Other financial assets (Notes 11 and 28)	400	-	400	-	3,625	-
15XX	Total non-current assets	<u>3,834,759</u>	<u>33</u>	<u>3,988,110</u>	<u>33</u>	<u>3,976,709</u>	<u>35</u>
1XXX	Total Assets	<u>\$ 11,483,117</u>	<u>100</u>	<u>\$ 11,846,644</u>	<u>100</u>	<u>\$ 11,366,959</u>	<u>100</u>
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes 17, 27 and 28)	\$ 11,388	-	\$ 8,259	-	\$ 13,619	-
2130	Contract liabilities (Note 22)	43,840	-	53,971	-	26,618	-
2150	Notes payable	375	-	27,721	-	24,937	-
2170	Accounts payable	753,673	6	718,840	6	751,249	7
2200	Other payables (Notes 18 and 27)	303,414	3	423,353	4	284,020	3
2230	Current income tax liabilities	131,949	1	143,364	1	63,747	1
2280	Lease liability (Notes 15 and 27)	18,534	-	21,908	-	21,232	-
2365	Refund liabilities	63,613	1	67,373	1	55,204	-
2399	Other current liabilities	4,309	-	4,031	-	8,298	-
21XX	Total current liabilities	<u>1,331,095</u>	<u>11</u>	<u>1,468,820</u>	<u>12</u>	<u>1,248,924</u>	<u>11</u>
	Non-current liabilities						
2550	Provisions (Note 19)	7,432	-	5,824	-	5,672	-
2570	Deferred income tax liabilities	82,778	1	82,778	1	82,778	1
2580	Lease liability (Notes 15 and 27)	2,384	-	15,376	-	19,464	-
2640	Net defined benefit liability	-	-	-	-	9,363	-
2645	Guarantee deposit received	9,428	-	9,652	-	9,618	-
25XX	Total non-current liabilities	<u>102,022</u>	<u>1</u>	<u>113,630</u>	<u>1</u>	<u>126,895</u>	<u>1</u>
2XXX	Total liabilities	<u>1,433,117</u>	<u>12</u>	<u>1,582,450</u>	<u>13</u>	<u>1,375,819</u>	<u>12</u>
	Equity attributable to owners of the Company (Note 21)						
3110	Capital stock	<u>1,620,000</u>	<u>14</u>	<u>1,620,000</u>	<u>14</u>	<u>1,620,000</u>	<u>14</u>
3200	Capital surplus	<u>109,873</u>	<u>1</u>	<u>109,873</u>	<u>1</u>	<u>109,430</u>	<u>1</u>
	Retained earnings						
3310	Legal reserve	2,170,437	19	2,082,370	18	2,082,370	19
3320	Special reserve	490,499	4	490,499	4	490,499	4
3350	Unappropriated earnings	6,063,708	53	6,042,330	51	5,781,196	51
3300	Total retained earnings	<u>8,724,644</u>	<u>76</u>	<u>8,615,199</u>	<u>73</u>	<u>8,354,065</u>	<u>74</u>
3400	Other equity	(404,517)	(3)	(80,878)	(1)	(92,355)	(1)
3XXX	Total equity	<u>10,050,000</u>	<u>88</u>	<u>10,264,194</u>	<u>87</u>	<u>9,991,140</u>	<u>88</u>
3X2X	Total Liabilities and Equity	<u>\$ 11,483,117</u>	<u>100</u>	<u>\$ 11,846,644</u>	<u>100</u>	<u>\$ 11,366,959</u>	<u>100</u>

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

Chairperson: Chang Te-Jen

Manager: Chang Fong-Li

Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries
Consolidated Statement of Comprehensive Income

Code		Unit: NT\$1,000, except earnings per share							
		July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue (Notes 22 and 27)								
4100	Goods sales revenue	\$2,078,111	92	\$2,223,255	94	\$6,659,582	91	\$6,572,799	96
4520	Construction revenue	<u>184,245</u>	<u>8</u>	<u>131,419</u>	<u>6</u>	<u>619,091</u>	<u>9</u>	<u>295,850</u>	<u>4</u>
4000	Total operating revenue	<u>2,262,356</u>	<u>100</u>	<u>2,354,674</u>	<u>100</u>	<u>7,278,673</u>	<u>100</u>	<u>6,868,649</u>	<u>100</u>
	Operating cost (Notes 10, 23 and 27)								
5110	Sales cost	1,491,494	66	1,658,127	71	4,828,693	66	4,858,104	71
5520	Construction cost	<u>162,699</u>	<u>7</u>	<u>123,406</u>	<u>5</u>	<u>550,716</u>	<u>8</u>	<u>267,584</u>	<u>4</u>
5000	Total operating cost	<u>1,654,193</u>	<u>73</u>	<u>1,781,533</u>	<u>76</u>	<u>5,379,409</u>	<u>74</u>	<u>5,125,688</u>	<u>75</u>
5900	Operating gross profit	<u>608,163</u>	<u>27</u>	<u>573,141</u>	<u>24</u>	<u>1,899,264</u>	<u>26</u>	<u>1,742,961</u>	<u>25</u>
	Operating expenses (Notes 9, 23 and 27)								
6100	Marketing expenses	164,322	7	191,489	8	516,785	7	538,092	8
6200	General and administrative expenses	136,061	6	117,533	5	361,551	5	344,803	5
6300	R&D expense	54,991	3	66,638	2	188,298	3	187,841	2
6450	Expected credit impairment reversal benefits	(<u>1,235</u>)	<u>-</u>	(<u>3,417</u>)	<u>-</u>	(<u>2,810</u>)	<u>-</u>	(<u>14,270</u>)	<u>-</u>
6000	Total operating expenses	<u>354,139</u>	<u>16</u>	<u>372,243</u>	<u>15</u>	<u>1,063,824</u>	<u>15</u>	<u>1,056,466</u>	<u>15</u>
6900	Operating Income	<u>254,024</u>	<u>11</u>	<u>200,898</u>	<u>9</u>	<u>835,440</u>	<u>11</u>	<u>686,495</u>	<u>10</u>
	Non-operating income and expenses (Notes 23 and 27)								
7100	Income from interests	5,749	-	6,235	-	17,743	-	20,294	-
7010	Other income	32,349	1	26,159	1	49,495	1	47,458	1
7020	Other gains and losses	(11,936)	1	(2,111)	-	(10,418)	-	(23,945)	-
7050	Financial cost	(<u>109</u>)	<u>-</u>	(<u>215</u>)	<u>-</u>	(<u>467</u>)	<u>-</u>	(<u>831</u>)	<u>-</u>
7060	Share of profit or loss of associates accounted for using equity method (Note 13)	(<u>637</u>)	<u>-</u>	<u>2,676</u>	<u>-</u>	(<u>6,166</u>)	<u>-</u>	<u>987</u>	<u>-</u>
7000	Total non-operating income and expenses	(<u>637</u>)	<u>-</u>	<u>2,676</u>	<u>-</u>	(<u>6,166</u>)	<u>-</u>	<u>987</u>	<u>-</u>
7900	Net profits before tax	<u>49,288</u>	<u>2</u>	<u>32,744</u>	<u>1</u>	<u>50,187</u>	<u>1</u>	<u>91,853</u>	<u>1</u>
7950	Income tax expenses (Notes 4 and 24)	<u>303,312</u>	<u>13</u>	<u>233,642</u>	<u>10</u>	<u>885,627</u>	<u>12</u>	<u>778,348</u>	<u>11</u>
8200	Net profit in the current period	<u>57,204</u>	<u>2</u>	<u>45,824</u>	<u>2</u>	<u>192,982</u>	<u>2</u>	<u>159,037</u>	<u>2</u>
		<u>246,108</u>	<u>11</u>	<u>187,818</u>	<u>8</u>	<u>692,645</u>	<u>10</u>	<u>619,311</u>	<u>9</u>

Code	Other comprehensive income (Note 21)	July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
8310	Items that will not be reclassified to profit or loss								
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income								
8360	Items that will be reclassified to profit or loss	1,220		-	(26,787)	(1)	(35,771)	(1)	(18,550)
8361	Exchange differences arising in the translation of foreign operations								
8300	Other comprehensive income (net after tax) for the period	<u>172,868</u>	<u>8</u>	(<u>15,046</u>)	(<u>1</u>)	(<u>287,868</u>)	(<u>4</u>)	<u>169,363</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>174,088</u>	<u>8</u>	(<u>41,833</u>)	(<u>2</u>)	(<u>323,639</u>)	(<u>5</u>)	<u>150,813</u>	<u>2</u>
8600	Net income attributable to:	<u>\$420,196</u>	<u>19</u>	<u>\$145,985</u>	<u>6</u>	<u>\$369,006</u>	<u>5</u>	<u>\$770,124</u>	<u>11</u>
8610	Owners of the Company	<u>\$246,108</u>		<u>\$187,818</u>		<u>\$692,645</u>		<u>\$619,311</u>	
8700	Total comprehensive income attributable to:								
8710	Owners of the Company	<u>\$420,196</u>		<u>\$145,985</u>		<u>\$369,006</u>		<u>\$770,124</u>	
	Earnings per share (Note 25)								
9710	Basic	<u>\$ 1.52</u>		<u>\$ 1.16</u>		<u>\$ 4.28</u>		<u>\$ 3.82</u>	
9810	Diluted	<u>\$ 1.52</u>		<u>\$ 1.16</u>		<u>\$ 4.27</u>		<u>\$ 3.82</u>	

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

Chairperson: Chang Te-Jen Manager: Chang Fong-Li Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Consolidated Statement of Changes in Equity

Unit: NT\$1,000

Code		Equity attributable to owners of the Company						Other equity			
		Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences arising in the translation of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	
Retained earnings											
A1	Balance as of January 1, 2025	\$ 1,620,000	\$ 109,873	\$ 2,082,370	\$ 490,499	\$ 6,042,330	\$ 8,615,199	(\$ 126,385)	\$ 45,507	\$ 80,878	\$ 10,264,194
Earnings allocation and distribution for 2024 (Note 21)											
B1	Legal reserve	-	-	88,067	-	(88,067)	-	-	-	-	
B5	Cash dividends	-	-	-	-	(583,200)	(583,200)	-	-	(583,200)	
D1	Net profit for January 1 to September 30, 2025	-	-	-	-	692,645	692,645	-	-	692,645	
D3	Other comprehensive income for January 1 to September 30, 2025, net of income tax	-	-	-	-	-	(287,868)	(35,771)	(323,639)	(323,639)	
D5	Total comprehensive income for January 1 to September 30, 2025	-	-	-	-	-	(287,868)	(35,771)	(323,639)	369,006	
Z1	Balance on September 30, 2025	\$ 1,620,000	\$ 109,873	\$ 2,170,437	\$ 490,499	\$ 6,063,708	\$ 8,724,644	(\$ 414,253)	\$ 9,736	(\$ 404,517)	\$ 10,050,000
A1	Balance as of January 1, 2024	\$ 1,620,000	\$ 109,430	\$ 1,999,353	\$ 490,499	\$ 5,811,676	\$ 8,301,528	(\$ 340,618)	\$ 97,676	(\$ 242,942)	\$ 9,788,016
Earnings allocation and distribution for 2023 (Note 21)											
B1	Legal reserve	-	-	83,017	-	(83,017)	-	-	-	-	
B5	Cash dividends	-	-	-	-	(567,000)	(567,000)	-	-	(567,000)	
D1	Net profit for January 1 to September 30, 2024	-	-	-	-	619,311	619,311	-	-	619,311	
D3	Other comprehensive income for January 1 to September 30, 2024, net of income tax	-	-	-	-	-	169,363	(18,550)	150,813	150,813	
D5	Total comprehensive income for January 1 to September 30, 2024	-	-	-	-	619,311	619,311	169,363	(18,550)	150,813	
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income (Note 21)	-	-	-	-	-	-	-	-	770,124	
Z1	Balance on September 30, 2024	\$ 1,620,000	\$ 109,430	\$ 2,082,370	\$ 490,499	226	226	(\$ 171,255)	\$ 78,900	(\$ 92,355)	\$ 9,991,140

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

Chairperson: Chang Te-Jen

Manager: Chang Fong-Li

Accounting Manager: Chen Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Consolidated Statement of Cash Flow

Unit: NT\$1,000

Code		January 1 to September 30, 2025	January 1 to September 30, 2024
	Cash flow from operating activities		
A10000	Pre-tax profit for the period	\$ 885,627	\$ 778,348
A20010	Adjustments for:		
A20100	Depreciation	172,353	171,788
A20200	Amortization	1,983	794
A20300	Reversal gains on expected credit impairment	(2,810)	(14,270)
A20400	Gains on financial assets at fair value through profit or loss	(17,797)	(6,707)
A20900	Financial cost	467	831
A21200	Income from interests	(17,743)	(20,294)
A21300	Dividend income	(15,966)	(15,486)
A22300	Share of profit or loss of associates accounted for using equity method	6,166	(987)
A22500	Gain on disposal and retirement of property, plant and equipment	(485)	(377)
A23700	Loss on inventory devaluation	33,940	12,470
A29900	Provisions recognized (reversed)	1,608	(711)
A29900	Refund liabilities recognized	139,123	132,415
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(44,207)	(13,251)
A31130	Notes receivable	92,861	54,358
A31140	Notes receivable - related parties	10,233	17,011
A31150	Accounts receivable	193,889	238,714
A31160	Accounts receivable - related parties	13,122	22,064
A31180	Other receivables	6,913	(331)
A31200	Inventories	18,513	(376,826)
A31240	Other current assets	1,447	(37,279)
A32125	Contract liabilities	(10,131)	(31,767)
A32130	Notes payable	(27,346)	(12,922)
A32150	Accounts payable	34,833	(135,131)
A32180	Other accounts payable	(120,560)	(110,795)
A32230	Other current liabilities	278	(12,814)
A32240	Net defined benefit liabilities	(5,189)	(4,866)
A32990	Refund liabilities	(141,217)	(137,886)

(Continued)

(Continued)

Code		January 1 to September 30, 2025	January 1 to September 30, 2024
A33000	Cash flow from operating activities	\$1,209,905	\$ 496,093
A33100	Interest received	18,933	17,448
A33200	Dividends received	15,966	15,486
A33300	Interest paid	(467)	(831)
A33500	Income taxes paid	(207,704)	(235,130)
AAAA	Net cash generated by operating activities	<u>1,036,633</u>	<u>293,066</u>
	Cash Flow from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(496)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	2,861
B00040	Acquisition of financial assets at amortised cost	(100)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(381,083)	(650,000)
B00200	Disposal of financial assets at fair value through profit or loss	594,421	599,073
B02700	Acquisition of property, plant and equipment	(139,206)	(115,740)
B02800	Proceeds from disposal or property, plant and equipment	756	1,090
B03700	Increase in guarantee deposit paid	(2,525)	(340)
B04500	Acquisition of intangible assets	(1,299)	(313)
B06500	Increase in other financial assets	(43,715)	(654,049)
BBBB	Net cash generated by (used in) investing activities	<u>27,249</u>	<u>(817,914)</u>
	Cash Flow from Financing Activities		
C00100	Increase in short-term borrowings	3,129	12,241
C03000	Increase (decrease) in guarantee deposit received	(224)	153
C04020	Repayment of principal of lease liabilities	(16,871)	(16,530)
C04500	Cash dividends paid	(583,200)	(567,000)
CCCC	Net cash used in financing activities	(597,166)	(571,136)
DDDD	Effects of exchange rate changes on cash and cash equivalents	(169,494)	<u>82,764</u>
EEEE	Increase (Decrease) in cash and cash equivalents	297,222	(1,013,220)
E00100	Cash and cash equivalents - beginning of period	<u>1,126,750</u>	<u>1,844,911</u>
E00200	Cash and cash equivalents - end of period	<u>\$1,423,972</u>	<u>\$ 831,691</u>

The accompanying notes are an integral part of the consolidated financial statements.
 Chairperson: Chang Te-Jen Manager: Chang Fong-Li Accounting Manager: Chen
 Hsi-Hui

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 through September 30, 2025 and 2024

(All amounts are in NT\$ thousand unless otherwise specified)

I. Company History

Founded in May 1957 in Kaohsiung, YUNG CHI PAINT & VARNISH MFG. CO., LTD (the “Company” hereinafter) is mainly engaged in the manufacture and sale of paints and coatings and the undertaking of painting projects.

The Company’s shares began trading on Taiwan Stock Exchange in September 2000.

The consolidated financial statements are stated in the functional currency of the Company, which is New Taiwan Dollars.

II. Date and procedures of approval of the financial statements

The consolidated financial statements were approved at the Board meeting on November 10, 2025.

III. Application of New Standards, Amendments, and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations (IFRIC), and SIC interpretations (SIC) (hereinafter collectively referred to as “IFRS Accounting Standards”) approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The application of the amended IFRS Accounting Standards approved and promulgated by the Financial Supervisory Commission won’t cause any significant changes to the accounting policy of the Company and its subsidiaries.

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

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

Up to the date when the consolidated financial statements were approved by the Board of Directors, the Company and subsidiaries assessed the effects of the said amendments on their financial position and financial performance on a continuous basis.

(III) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

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

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

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

FRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements".

The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above effects, up to the date when the consolidated financial statements were approved by the Board of Directors, the

Company and subsidiaries assessed the other effects of the said amendments to the standards and interpretations on their financial position and performance on a continuous basis. The relevant effects will be disclosed after the assessment.

IV. Summary of significant accounting policies

Except for the following policies, please refer to the summary of significant accounting policies in the 2024 Consolidated Financial Report.

(I) Compliance statement

The Consolidated Financial Report was formulated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed, published, and effected by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

(II) Basis of consolidation

For details of subsidiaries, shareholding percentage in them, and their business activities, refer to Note 12 and Appendix Tables 7 and 8.

(III) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

(IV) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period’s pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

V. Significant Accounting Judgments, Assumptions, and Major Sources of Estimation Uncertainty

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

VI. Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and working capital	\$ 1,024	\$ 1,718	\$ 1,607
Bank check and demand deposit	952,873	875,856	562,973
Cash equivalents (investment whose initial maturity date will be due within 3 months)			
Time deposits in banks	470,075	249,176	214,141
Bonds with repurchase agreement	<u>-</u>	<u>-</u>	<u>52,970</u>
	<u>\$ 1,423,972</u>	<u>\$ 1,126,750</u>	<u>\$ 831,691</u>

VII. Financial assets at fair value through profit or loss

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss			
Fund beneficiary certificates	<u>\$ 219,682</u>	<u>\$ 415,223</u>	<u>\$ 413,628</u>

VIII. Financial assets at fair value through other comprehensive income

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
TWSE-listed stocks	<u>\$ 349,224</u>	<u>\$ 385,527</u>	<u>\$ 418,415</u>
Non-current			
Domestic shares not traded on an exchange or OTC	\$ 29,937	\$ 29,431	\$ 29,912
Foreign shares not traded on an exchange or OTC	<u>145</u>	<u>149</u>	<u>158</u>
	<u>\$ 30,082</u>	<u>\$ 29,580</u>	<u>\$ 30,070</u>

Since the Group holds the said equity instrument investment not for trading or gaining profits in the short term, the Group elects to designate them to be measured at fair value through other comprehensive income.

IX. Notes receivable (including those due from related parties); accounts receivable (including those due from related parties); and other receivables

(I) Notes receivable and accounts receivable (including overdue receivables)

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable (including those due from related parties)			
Measured at amortized cost			
Arising from operating activities	\$ 400,575	\$ 503,669	\$ 527,875
Less: loss allowance	<u>5,104</u>	<u>5,549</u>	<u>5,716</u>
	<u>\$ 395,471</u>	<u>\$ 498,120</u>	<u>\$ 522,159</u>
Accounts receivable (including those due from related parties)			
Measured at amortized cost			
Total book value	\$ 1,850,946	\$ 2,057,882	\$ 1,688,944
Less: loss allowance	<u>55,635</u>	<u>59,059</u>	<u>50,497</u>
	<u>\$ 1,795,311</u>	<u>\$ 1,998,823</u>	<u>\$ 1,638,447</u>
Overdue receivables			
Total book value	\$ 7,739	\$ 7,814	\$ 7,021
Less: loss allowance	<u>7,739</u>	<u>7,814</u>	<u>7,021</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The credit period provided by the Group to customers averages about 90 days to 100 days; receivables do not accrue interest. To mitigate credit risk, the Group has a dedicated team be responsible for determining the credit limits, approving credit lending, and executing other monitoring procedures, so as to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Group

reviews the recoverable amount of receivables on the balance sheet date so as to ensure that appropriate impairment loss has been recognized for uncollectible receivables.

The Group recognizes the allowance for receivables based on the lifetime ECL, which is calculated using the provision matrix, taking into account a customer's historical default record and current financial standing and the industrial and economic conditions. According to the Group's historical credit loss record, the loss patterns do not differ among different customer bases, so the provision matrix does not look into individual customer bases but instead estimates the ECL rate based on the number of days past due of receivables.

When there is any evidence showing that the trading counterparty is facing serious financial difficulties and the Group cannot estimate a reasonable recoverable amount, the Group transfers the receivables to overdue receivables while providing sufficient loss allowance. When it is sure that the receivables cannot be recovered, the Group directly writes off related receivables, but will continue recourse activities. Any recovered amount through the recourse activities is recognized in profit or loss.

The loss allowance the Group recognized for receivables based on the provision matrix is as follows:

September 30, 2025

ECL rate (%)	Not past due		1~90 days past due		91~270 days past due		271~630 days past due		More than 630 days past due		Individual identification	Total
	2	2	10	30	100	100						
Total book value	\$ 2,026,583	\$ 126,636	\$ 69,226	\$ 21,897	\$ 14,729	\$ 189						\$ 2,259,260
Loss allowance	(37,535)	(2,533)	(6,923)	(6,569)	(14,729)	(189)						(68,478)
Amortized cost	<u>\$ 1,989,048</u>	<u>\$ 124,103</u>	<u>\$ 62,303</u>	<u>\$ 15,328</u>	<u>\$ -</u>	<u>\$ -</u>						<u>\$ 2,190,782</u>

December 31, 2024

ECL rate (%)	Not past due		1~90 days past due		91~270 days past due		271~630 days past due		More than 630 days past due		Individual identification	Total
	2	2	10	30	100	100						
Total book value	\$ 2,395,130	\$ 95,943	\$ 34,492	\$ 28,818	\$ 14,780	\$ 202						\$ 2,569,365
Loss allowance	(43,426)	(1,919)	(3,449)	(8,646)	(14,780)	(202)						(72,422)
Amortized cost	<u>\$ 2,351,704</u>	<u>\$ 94,024</u>	<u>\$ 31,043</u>	<u>\$ 20,172</u>	<u>\$ -</u>	<u>\$ -</u>						<u>\$ 2,496,943</u>

September 30, 2024

ECL rate (%)	Not past due	1~90 days past due	91~270 days past due	271~630 days past due	More than 630 days past due	Individual identification	Total
	2	2	10	30	100	100	
Total book value	\$ 2,031,502	\$ 111,275	\$ 43,240	\$ 23,673	\$ 13,695	\$ 455	\$ 2,223,840
Loss allowance	(35,432)	(2,226)	(4,324)	(7,102)	(13,695)	(455)	(63,234)
Amortized cost	<u>\$1,996,070</u>	<u>\$ 109,049</u>	<u>\$ 38,916</u>	<u>\$ 16,571</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 2,160,606</u>

Movements in the loss allowance for receivables are as follows:

	January 1 to September 30, 2025	January 1 to September 30, 2024
Balance - beginning of period	\$ 72,422	\$ 79,786
Reversed in the current period	(2,810)	(14,270)
Written off in the current period	-	(3,316)
Net exchange differences	(1,134)	<u>1,034</u>
Balance - end of period	<u>\$ 68,478</u>	<u>\$ 63,234</u>

(II) Other receivables

The Group recognizes the loss allowance for other receivables based on the lifetime ECL. As at September 30, 2025, December 31, 2024, and September 30, 2024, there were no overdue other receivables; accordingly, there was no balance of loss allowance based on our assessment.

X. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Finished-goods	\$ 777,330	\$ 733,532	\$ 796,656
Products	22,578	22,753	25,457
Work in process	38,594	-	-
Raw materials	1,534,459	1,668,873	1,693,982
Materials	22,960	18,238	21,031
Inventory in transit	38,009	38,174	64,845
	<u>\$ 2,433,930</u>	<u>\$ 2,481,570</u>	<u>\$ 2,601,971</u>

The cost of inventories recognized as cost of goods sold in July 1 to September 30, 2025 and 2024, and in January 1 to September 30, 2025 and 2024 was NT\$1,491,494 thousand, NT\$1,658,127 thousand, NT\$4,828,693 thousand

and NT\$4,858,104 thousand, respectively. The cost of goods sold included loss on inventory devaluation of NT\$22,704 thousand, NT\$0 thousand, NT\$33,940 thousand, and NT\$12,470 thousand.

XI. Other financial assets

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Time deposits whose original maturity date is more than three months apart	\$ 684,427	\$ 637,541	\$ 657,356
Reserve deposit	20,004	19,950	-
Project deposit	<u>-</u>	<u>3,225</u>	<u>16,245</u>
	<u><u>\$ 704,431</u></u>	<u><u>\$ 660,716</u></u>	<u><u>\$ 673,601</u></u>
Non-current			
Time deposits pledged	\$ 400	\$ 400	\$ 400
Project deposit	<u>-</u>	<u>-</u>	<u>3,225</u>
	<u><u>\$ 400</u></u>	<u><u>\$ 400</u></u>	<u><u>\$ 3,625</u></u>

For information on pledged financial assets, see Note 28.

XII. Subsidiary

Entities in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership interests and voting rights in percentage terms (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Bmass Investment Co., Ltd (Bmass)	Professional investment company	100	100	100	
	Cmass Investment Co., Ltd (Cmass)	Professional investment company	100	100	100	
	Emass Investment International Co., Ltd (Emass)	Professional investment company	100	100	100	
Bmass	YUNG CHI PAINT & VARNISH MFG. (Kunshan) Co., Ltd. (YUNG CHI Kunshan)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	100	100	100	
	YUNG CHI PAINT & VARNISH MFG. (Jiaxing) CO., LTD. (YUNG CHI Jiaxing)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	100	100	100	
Cmass	Dmass Investment International Co., Ltd (Dmass)	Professional investment company	100	100	100	
Emass	Yung Chi America Corp. (YUNG CHI USA)	Professional investment company	100	100	100	
Dmass	YUNG CHI PAINT & VARNISH MFG. (Vietnam) CO., LTD. (YUNG CHI Vietnam)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	100	100	100	
	YUNG CHI PAINT & Manufacture and sale		100	100	100	

	VARNISH (Malaysia) CO., LTD. (YUNG CHI Malaysia)	MFG. of paints				
YUNG CHI USA Inc.	Continental Coatings, Inc.	Sale and processing of paints	100	100	100	

XIII. Investments accounted for using equity method

	September 30, 2025	December 31, 2024	September 30, 2024
Individually insignificant associate	<u>\$ 25,495</u>	<u>\$ 34,085</u>	<u>\$ 36,000</u>

Summary information on individually insignificant associates

	January 1 July 1 to September 30, 2025	January 1 July 1 to September 30, 2024	to September 30, 2025	to September 30, 2024
The Group's share				
Net profit (loss) for the period	(\$ 637)	\$ 2,676	(\$6,166)	\$ 987
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(\$ 637)</u>	<u>\$ 2,676</u>	<u>(\$6,166)</u>	<u>\$ 987</u>

The Group's investments accounted for using the equity method as at September 30, 2025 and 2024 were recognized and disclosed based on the investees' financial statements for the same period that were not audited by CPAs. However, the Group's management does not think that using the said investees' financial statements not audited by CPAs will affect any material effects.

XIV. Property, plant and equipment

January 1 to September 30, 2025

Cost	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Unfinished construction and equipment pending acceptance	Total
Balance as of January 1, 2025	\$ 1,056,469	\$ 2,023,202	\$ 1,717,949	\$ 107,977	\$ 347,811	\$ 55,450	\$ 5,308,858
Increase	-	10,723	60,590	10,944	44,079	15,992	142,328
Disposal	-	-	(45,909)	(5,563)	(18,497)	-	(69,696)
Net exchange differences	(6,276)	(88,120)	(63,106)	(2,710)	(10,563)	(903)	(171,678)
Balance as of September 30, 2025	<u>\$ 1,050,193</u>	<u>\$ 1,945,805</u>	<u>\$ 1,669,524</u>	<u>\$ 110,648</u>	<u>\$ 362,830</u>	<u>\$ 70,539</u>	<u>\$ 5,209,539</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2025	\$ -	\$ 642,420	\$ 1,068,193	\$ 83,661	\$ 245,705	\$ -	\$ 2,039,979
Depreciation	-	40,837	81,179	5,624	23,908	-	151,548
Disposal	-	-	(45,859)	(5,432)	(18,407)	-	(69,698)
Net exchange differences	<u>-</u>	<u>(23,069)</u>	<u>(33,240)</u>	<u>(1,977)</u>	<u>(6,855)</u>	<u>-</u>	<u>(65,141)</u>

Balance as of September 30, 2025	<u>\$</u> <u>—</u>	<u>\$</u> <u>660,188</u>	<u>\$</u> <u>1,070,273</u>	<u>\$</u> <u>81,876</u>	<u>\$</u> <u>244,351</u>	<u>\$</u> <u>—</u>	<u>\$</u> <u>2,056,688</u>
Net amount on December 31, 2024	<u>\$</u> <u>1,056,469</u>	<u>\$</u> <u>1,380,782</u>	<u>\$</u> <u>649,756</u>	<u>\$</u> <u>24,316</u>	<u>\$</u> <u>102,106</u>	<u>\$</u> <u>55,450</u>	<u>\$</u> <u>3,268,879</u>
Net amount on September 30, 2025	<u>\$</u> <u>1,050,193</u>	<u>\$</u> <u>1,285,617</u>	<u>\$</u> <u>599,251</u>	<u>\$</u> <u>28,772</u>	<u>\$</u> <u>118,479</u>	<u>\$</u> <u>70,539</u>	<u>\$</u> <u>3,152,851</u>

January 1 to September 30, 2024

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Unfinished construction and equipment pending acceptance	Total
<u>Cost</u>							
Balance as of January 1, 2024	\$ 1,050,891	\$ 1,910,346	\$ 1,619,887	\$ 97,507	\$ 309,096	\$ 76,379	\$ 5,064,106
Increase	-	35,108	39,739	11,233	16,791	(12,560)	90,311
Disposal	-	-	(5,754)	(4,360)	(1,659)	-	(11,773)
Net exchange differences	2,534	63,509	41,165	1,817	6,034	855	115,914
Balance as of September 30, 2024	<u>\$ 1,053,425</u>	<u>\$ 2,008,963</u>	<u>\$ 1,695,037</u>	<u>\$ 106,197</u>	<u>\$ 330,262</u>	<u>\$ 64,674</u>	<u>\$ 5,258,558</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2024	\$ -	\$ 566,906	\$ 941,551	\$ 79,425	\$ 218,762	\$ -	\$ 1,806,644
Depreciation	-	42,748	80,940	5,355	21,475	-	150,518
Disposal	-	-	(5,041)	(4,360)	(1,659)	-	(11,060)
Net exchange differences	-	15,390	19,426	1,441	3,052	-	39,309
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 625,044</u>	<u>\$ 1,036,876</u>	<u>\$ 81,861</u>	<u>\$ 241,630</u>	<u>\$ -</u>	<u>\$ 1,985,411</u>
Net amount on September 30, 2024	<u>\$ 1,053,425</u>	<u>\$ 1,383,919</u>	<u>\$ 658,161</u>	<u>\$ 24,336</u>	<u>\$ 88,632</u>	<u>\$ 64,674</u>	<u>\$ 3,273,147</u>

The Group's property, plant and equipment were depreciated on a straight-line basis over the following useful lives:

Buildings and structures	5~55 years
Machinery and equipment	1~25 years
Transportation equipment	5~40 years
Other facilities	3~40 years

For the amount of property, plant, and equipment pledged as borrowing collateral by the Group, see Note 28.

XV. Lease agreement

(I) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Book value of right-of-use assets			
Land	\$ 265,175	\$ 287,776	\$ 287,968
Buildings	16,816	31,229	35,154
Transportation equipment	<u>2,417</u>	<u>1,413</u>	<u>1,285</u>

	\$ 284,408	\$ 320,418	\$ 324,407
	January 1 July 1 to September 30, 2025	January 1 July 1 to September 30, 2024	to September 30, 2025
	to September 30, 2024		
Increase in right-of-use assets		<u>\$ 1,820</u>	<u>\$ 932</u>
Depreciation expenses -			
Right-of-use assets			
Land	\$ 1,700	\$ 1,865	\$ 5,343
Buildings	4,333	4,563	13,383
Transportation equipment	<u>296</u>	<u>245</u>	<u>816</u>
	<u>\$ 6,329</u>	<u>\$ 6,673</u>	<u>\$ 19,542</u>
			<u>\$ 20,007</u>

(II) Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Book value of lease liabilities			
Current	<u>\$ 18,534</u>	<u>\$ 21,908</u>	<u>\$ 21,232</u>
Non-current	<u>\$ 2,384</u>	<u>\$ 15,376</u>	<u>\$ 19,464</u>

The discount rates (%) for lease liabilities are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	1.775~2.625	1.775~2.625	1.775~2.625
Transportation equipment	1.775~2.625	1.775~2.625	1.775~2.625

(III) Material lease activities and terms

The Group leased land and buildings from others and used them as plants, operating premises, and shipping hubs, with a lease term of 3~50 years. The Group did not have an option to buy the land and buildings underlying the lease at the termination of the lease period.

The Group leased transportation equipment for use in business travel; the lease period was 3 years. There was no contractual term which grants the Group the right to renew the lease or buy the underlying assets at the expiration of the lease term.

(IV) Other lease information

For the agreement under which the Group leases out investment property recognized as an operating lease, see Note 16.

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Short-term lease expense	<u>\$ 1,509</u>	<u>\$ 3,593</u>	<u>\$ 3,972</u>	<u>\$ 6,333</u>
Low-value asset lease expense	<u>\$ 164</u>	<u>\$ 165</u>	<u>\$ 559</u>	<u>\$ 515</u>
Total cash outflow from leases			<u>\$ 21,869</u>	<u>\$ 24,209</u>

For employee dormitory lease qualified as a short-term lease and the lease of office accessories like photocopiers that qualifies as a lease whose underlying assets are of low value, the Group applies the recognition exemption to them, and does not recognize any right-of-use assets or lease liability for them.

XVI Investment property

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$ 162,079	\$ 162,079	\$ 162,079
Buildings and structures	<u>38,673</u>	<u>39,936</u>	<u>40,357</u>
	<u>\$ 200,752</u>	<u>\$ 202,015</u>	<u>\$ 202,436</u>

Except for the recognition of depreciation, there were no major additions, disposals or impairment to investment property from January 1 to September 30 in 2025 and 2024. Buildings and structures recognized as investment property are depreciated on a straight-line basis over their useful lives (15 to 50 years).

The lease term of an investment property lease is between 1 and 5 years; the lessee does not have the option to purchase the investment property at the termination of the lease term.

Total future lease payments to be generated from investment property recognized as an operating lease is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$ 2,620	\$ 3,840	\$ 4,421
Year 2	-	186	553
Year 3	-	-	-
	<u>\$ 2,620</u>	<u>\$ 4,026</u>	<u>\$ 4,974</u>

Their fair value stood at NT\$637,281 thousand on September 30, 2025, December 31, 2024, and September 30, 2024. The fair value of investment property is assessed by referencing independent property appraisers' appraisal arrived at by using Level 3 fair value inputs, and by referencing the value derived using direct capitalization method and the comparable method that looks into the transaction price of similar properties on the market. The significant unobservable input used, the capitalization rate of profits, was 1.50% in both years.

XVII. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Secured loans			
Loan against L/C - settled before interest accrual	<u>\$ 11,388</u>	<u>\$ 8,259</u>	<u>\$ 13,619</u>

XVIII. Other accounts payable

	September 30, 2025	December 31, 2024	September 30, 2024
Salary and bonus payable	\$ 147,641	\$ 172,409	\$ 125,487
Employee and director compensation payable	21,092	25,255	16,722
Business tax payable	12,122	24,516	7,142
Construction and equipment payable	8,217	7,596	7,063
Advertising expenditure	504	53,711	1,780
Others	<u>113,838</u>	<u>139,866</u>	<u>125,826</u>
	<u>\$ 303,414</u>	<u>\$ 423,353</u>	<u>\$ 284,020</u>

XIX. Provisions

	September 30, 2025	December 31, 2024	September 30, 2024
Non-current			
Construction warranty	<u>\$ 7,432</u>	<u>\$ 5,824</u>	<u>\$ 5,672</u>

The provisions for construction warranty are the present value of the management's best estimate of outflow of future economic benefits arising from the warranty obligations; such estimate is estimated based on historical warranty experience.

XX. Post-employment benefit plan

Employee benefit expenses defined post-retirement benefit plan were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023. In July 1 to September 30, 2025 and 2024, and in January 1 to September 30, 2025 and 2024, the amounts of retirement benefit were NT\$68 thousand, NT\$264 thousand, NT\$205 thousand and NT\$791 thousand, respectively.

XXI. Equity

(I) Capital stock

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized shares (in thousand shares)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Authorized capital	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>

	September 30, 2025	December 31, 2024	September 30, 2024
Number of issued shares fully paid (in thousand shares)	<u>162,000</u>	<u>162,000</u>	<u>162,000</u>
Issued capital	<u>\$ 1,620,000</u>	<u>\$ 1,620,000</u>	<u>\$ 1,620,000</u>

A share of issued common stock had a par value of NTD10 and was entitled to one voting right and dividends.

(II) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Available for makeup of loss, distribution of cash dividends, or transfer into capital (Note)			
Additional paid-in capital	\$ 106,385	\$ 106,385	\$ 106,385
Only available for makeup of loss			
Asset disposal gain	2,612	2,612	2,612
Others	876	876	433
	<u>\$ 109,873</u>	<u>\$ 109,873</u>	<u>\$ 109,430</u>

Note: These capital reserves may be used to make up losses, to distribute cash dividends, or to be transferred into the capital if the Company is not in the red. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.

(III) Retained earnings and dividend policy

According to the dividend policy prescribed in the Company's Articles of Incorporation, in the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. The remainder may be set aside as special reserves, or the previous recognized special reserves may be reversed, in accordance with laws and regulations. If there is remainder surplus, the Board of Directors shall draft a surplus distribution proposal regarding the remainder of the surplus as well as accumulated undistributed surplus, and shall submit the distribution proposal to the Shareholders Meeting for approval.

Considering capital expenditure needs and a sound financial planning requisite for sustainable development, the Company shall

distribute no less than 50% of the annual earnings as shareholder dividends in principle. The Company may distribute dividends in cash or in shares. Considering the Company's growth rate and capital expenditure status, the Company shall distribute earnings more in cash than in shares; the cash dividends distributed shall not be less than 60% of total dividends distributed in the given year.

Legal reserves may be used to make up for losses. Where the Company does not sustain loss, the part of the legal reserves that exceeds the total paid-in capital by no greater than 25% may be appropriated as capital or distributed in cash.

The appropriation of earnings for 2024 and 2023 was approved by the shareholders in the shareholders' meetings in May 2025 and 2024, respectively. The appropriations and dividends per share were as follows:

	Earnings Distribution		Dividend per share	
	Proposal 2024	2023	2024	2023
Legal reserve	\$ 88,067	\$ 83,017		
Cash dividends	583,200	567,000	\$ 3.6	\$ 3.5

(IV) Other equity

1. Exchange differences arising in the translation of foreign operations

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	(\$126,385)	(\$340,618)
Exchange difference arising from translation of the net assets of foreign operations	(<u>287,868</u>)	<u>169,363</u>
Closing balance	<u>(\$414,253)</u>	<u>(\$171,255)</u>

2. Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	\$ 45,507	\$ 97,676
Recognized in the current period		
Accumulated gains and losses from disposal of equity instruments are transferred to retained earnings	-	(226)
Equity instruments -unrealized gains or losses	(35,771)	(18,550)
Closing balance	<u>\$ 9,736</u>	<u>\$ 78,900</u>

XXII. Operating revenue

(I) Customer contract revenue breakdown

January 1 to September 30, 2025

Type of product or service	Paint Business Department	Coating Engineering Department	Total
Product sales revenue	\$ 6,659,582	\$ -	\$ 6,659,582
Construction revenue	-	619,091	619,091
	<u>\$ 6,659,582</u>	<u>\$ 619,091</u>	<u>\$ 7,278,673</u>
<u>Primary regional markets</u>			
Taiwan	\$ 4,855,186	\$ 619,091	\$ 5,474,277
China	796,047	-	796,047
Others	1,008,349	-	1,008,349
	<u>\$ 6,659,582</u>	<u>\$ 619,091</u>	<u>\$ 7,278,673</u>
<u>Revenue recognition time point</u>			
At a point in time	\$ 6,659,582	\$ -	\$ 6,659,582
Fulfilled as time elapses	-	619,091	619,091
	<u>\$ 6,659,582</u>	<u>\$ 619,091</u>	<u>\$ 7,278,673</u>

January 1 to September 30, 2024

Type of product or service	Paint Business Department	Coating Engineering Department	Total
Product sales revenue	\$ 6,572,799	\$ -	\$ 6,572,799
Construction revenue	-	295,850	295,850
	<u>\$ 6,572,799</u>	<u>\$ 295,850</u>	<u>\$ 6,868,649</u>
<u>Primary regional markets</u>			
Taiwan	\$ 4,639,026	\$ 295,850	\$ 4,934,876
China	971,813	-	971,813
Others	961,960	-	961,960
	<u>\$ 6,572,799</u>	<u>\$ 295,850</u>	<u>\$ 6,868,649</u>
<u>Revenue recognition time point</u>			
At a point in time	\$ 6,572,799	\$ -	\$ 6,572,799
Fulfilled as time elapses	-	295,850	295,850
	<u>\$ 6,572,799</u>	<u>\$ 295,850</u>	<u>\$ 6,868,649</u>

(II) Contract balance

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes receivable and accounts receivable	<u>\$2,190,782</u>	<u>\$2,496,943</u>	<u>\$2,160,606</u>	<u>\$2,479,517</u>
Contract assets				
Coating Engineering	<u>\$ 175,386</u>	<u>\$ 131,179</u>	<u>\$ 113,345</u>	<u>\$ 100,094</u>
Contract liabilities				
Coating Engineering	\$ 40,376	\$ 48,505	\$ 24,929	\$ 57,675
Product sales	<u>3,464</u>	<u>5,466</u>	<u>1,689</u>	<u>710</u>
	<u>\$ 43,840</u>	<u>\$ 53,971</u>	<u>\$ 26,618</u>	<u>\$ 58,385</u>

Changes in contract assets and contract liabilities mainly come from the difference between the points in time when the Company fulfills obligations and when customers make payments.

(III) Customer contracts outstanding

As of September 30, 2025, December 31, 2024, and September 30, 2024, transaction price allocated to unfulfilled performance obligation was NT\$1,148,240 thousand, NT\$1,493,647 thousand and NT\$1,328,837

thousand, respectively. The Company will recognize it as construction revenue when construction items are completed; such revenue is expected to be recognized in 1 to 3 years.

XXIII. Net profits before tax

(I) Income from interest

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Bank deposit	\$ 5,749	\$ 5,106	\$ 17,743	\$ 15,788
Others	<u>-</u>	<u>1,129</u>	<u>-</u>	<u>4,506</u>
	<u><u>\$ 5,749</u></u>	<u><u>\$ 6,235</u></u>	<u><u>\$ 17,743</u></u>	<u><u>\$ 20,294</u></u>

(II) Other income

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Lease income	\$ 2,185	\$ 2,588	\$ 6,761	\$ 7,285
Dividend income	15,966	15,486	15,966	15,486
Subsidy income	<u>-</u>	<u>4,061</u>	<u>3,157</u>	<u>12,183</u>
Others	<u>14,198</u>	<u>4,024</u>	<u>23,611</u>	<u>12,504</u>
	<u><u>\$ 32,349</u></u>	<u><u>\$ 26,159</u></u>	<u><u>\$ 49,495</u></u>	<u><u>\$ 47,458</u></u>

(III) Other gains and losses

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Net foreign exchange gain (loss)	\$ 11,148	(\$ 666)	(\$ 23,941)	\$ 22,053
Gain (loss) on disposal of property, plant and equipment	(92)	(632)	485	377
Gains on financial assets at fair value through profit	1,656	2,739	17,797	6,707
Others	<u>(776)</u>	<u>(3,552)</u>	<u>(4,759)</u>	<u>(5,192)</u>
	<u><u>\$ 11,936</u></u>	<u><u>(\$ 2,111)</u></u>	<u><u>(\$10,418)</u></u>	<u><u>\$ 23,945</u></u>

(IV) Financial cost

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Financial cost				
Interest on lease liabilities	\$ 109	\$ 215	\$ 467	\$ 831

(V) Depreciation and amortization

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Property, plant and equipment	\$ 50,113	\$ 50,895	\$151,548	\$150,518
Right-of-use assets	6,329	6,673	19,542	20,007
Investment property	421	421	1,263	1,263
Intangible assets	1,338	260	1,858	779
Other current assets	116	5	125	15
	<u>\$ 58,317</u>	<u>\$ 58,254</u>	<u>\$174,336</u>	<u>\$172,582</u>

Summary of
depreciation by
function

Operating cost	\$ 23,369	\$ 21,709	\$ 67,897	\$ 65,118
Operating expenses	33,073	35,860	103,193	105,407
Others	421	420	1,263	1,263
	<u>\$ 56,863</u>	<u>\$ 57,989</u>	<u>\$172,353</u>	<u>\$171,788</u>

Summary of
amortization by
function

Operating cost	\$ -	\$ -	\$ -	\$ -
Operating expenses	<u>1,454</u>	<u>265</u>	<u>1,983</u>	<u>794</u>
	<u>\$ 1,454</u>	<u>\$ 265</u>	<u>\$ 1,983</u>	<u>\$ 794</u>

(VI) Employee benefit expenses

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	to September 30, 2024
Short-term employee benefits				
Salary	\$234,508	\$226,656	\$700,351	\$675,898
Labor insurance and health insurance	14,373	13,246	43,102	40,150
Others	<u>14,132</u>	<u>15,269</u>	<u>45,900</u>	<u>43,986</u>
	<u>263,013</u>	<u>255,171</u>	<u>789,353</u>	<u>760,034</u>
 Post-employment benefit				
Defined contribution plan	7,646	7,394	23,479	21,870
Defined benefit plan	<u>68</u>	<u>264</u>	<u>205</u>	<u>791</u>
	<u>7,714</u>	<u>7,658</u>	<u>23,684</u>	<u>22,661</u>
	<u><u>\$270,727</u></u>	<u><u>\$262,829</u></u>	<u><u>\$813,037</u></u>	<u><u>\$782,695</u></u>
 Summary by function				
Operating cost	\$112,252	\$111,391	\$335,047	\$326,078
Operating expenses	<u>158,475</u>	<u>151,438</u>	<u>477,990</u>	<u>456,617</u>
	<u><u>\$270,727</u></u>	<u><u>\$262,829</u></u>	<u><u>\$813,037</u></u>	<u><u>\$782,695</u></u>

(VII) Employee and director compensation

According to its Articles of Incorporations, the Company shall take the pre-tax profits inclusive of employee and director compensation and allocate 1% ~ 5% of such profits as employee compensation and no greater than 0.5% as director compensation. According to the amendment to the Securities and Exchange Act in August 2024, the Company plans to adopt an amendment to its Articles of Incorporations at the 2025 General Shareholders Meeting, stipulating that no less than 70% of the employee compensation shall be allocated to junior employees. The compensation of employees and remuneration of directors and supervisors for the period from July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024, respectively, were as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024	January 1 to September 30, 2024
Employee compensation	\$ 6,273	\$ 4,137	\$ 18,183	\$ 14,421	
Director compensation	\$ 1,004	\$ 660	\$ 2,909	\$ 2,301	

The Compensation of employees and remuneration of directors and supervisors in 2024 and 2023 which have been approved by the Corporation's board of directors in March 2025 and 2024, respectively, were as follows:

	2024	2023
Employee compensation	\$ 21,903	\$ 19,529
Director compensation	3,352	3,108

There is no difference between the actual payment of compensation of employees and remuneration of directors and the amounts recognized in the consolidated financial statements in 2024 and 2023.

The information about compensation to employees and directors determined by the Board of Directors may be viewed at TWSE's Market Observation Post System (MOPS).

XXIV. Income tax

(I) Income tax recognized in profit or loss

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024	January 1 to September 30, 2024
Current income tax					
In respect of the current period	\$ 53,909	\$ 46,508	\$ 183,678	\$ 154,986	
Additional levy on undistributed earnings	-	-	7,970	6,507	
Adjustments for the previous year	2,856	-	4,641	(3,520)	
Deferred income tax					

In respect of the current period	439	(684)	(3,307)	4,963
Adjustments for the previous year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,899)</u>
	<u>\$ 57,204</u>	<u>\$ 45,824</u>	<u>\$192,982</u>	<u>\$159,037</u>

The profit-seeking enterprise income tax applicable to the Company is 20% and the applicable tax rate on the Company's unappropriated earnings is 5%. The tax incurred by subsidiaries is calculated based on the applicable tax rate in the country where they operate.

(II) Authorization of income tax

The Company's profit-seeking enterprise income tax returns have been approved by competent tax authorities through 2023, of which the 2022 profit-seeking enterprise income tax returns are still awaiting approval by the tax authorities. Subsidiaries have paid their income tax through 2024 in full to competent local tax authorities.

XXV. Earnings per share

The earnings and the weighted average number of common shares used for calculating earnings per share are as follows:

Net profit in the current period

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	to September 30, 2024
Net profit attributable to owners of the Company	<u>\$246,108</u>	<u>\$187,818</u>	<u>\$692,645</u>	<u>\$ 619,311</u>

Shares

	Unit: 1,000 shares			
	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	to September 30, 2024
Weighted average number of common shares used for calculating basic earnings per	162,000	162,000	162,000	162,000

share				
Plus: Potential common shares that are dilutive - employee compensation	<u>241</u>	<u>182</u>	<u>315</u>	<u>249</u>
Weighted average number of shares used for calculating diluted earnings per share	<u>162,241</u>	<u>162,182</u>	<u>162,315</u>	<u>162,249</u>

Where the Company may elect to distribute employee remuneration in shares or in cash, when calculating the diluted EPS, the Company assumes that all employee remuneration is distributed in shares and counts the potentially dilutive common shares - when deemed dilutive - in the weighted average number of shares outstanding. The Group continues to consider the dilutive effect of such potentially delusive common shares when calculating the diluted EPS before the number of share dividends is to be resolved on in the following year.

XXVI. Financial instruments

(I) Fair value information – financial instruments not measured at fair value

The book value of the Group's financial instruments not measured at fair value, e.g., cash and cash equivalents, receivables, and payables, is a reasonable approximation of fair value.

(II) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>September 30, 2025</u>				
Financial assets at fair value through profit or loss				
Fund benefit certificate	<u>\$219,682</u>	\$ _____ -	\$ _____ -	<u>\$219,682</u>
Financial assets at fair value through other comprehensive				

income							
TWSE-listed							
stocks	\$349,224	\$	-	\$	-	\$349,224	
Domestic shares							
not traded on							
an exchange							
or OTC	-			-		29,937	29,937
Foreign shares							
not traded on							
an exchange							
or OTC	-			-		145	145
	<u>\$349,224</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$ 30,082</u>	<u>\$379,306</u>

December 31, 2024

Financial assets at							
fair value through							
profit or loss							
Fund benefit							
certificate	<u>\$415,223</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$ 415,223</u>	

Financial assets at							
fair value through							
other							

comprehensive

income

 TWSE-listed

stocks	\$385,527	\$	-	\$	-	\$385,527	
Domestic shares							
not traded on an							
exchange or OTC	-			-		29,431	29,431
Foreign shares							
not traded on an							
exchange or OTC	-			-		149	149
	<u>\$385,527</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$ 29,580</u>	<u>\$415,107</u>

September 30, 2024

Financial assets at							
fair value through							
profit or loss							
Fund benefit							
certificate	<u>\$413,628</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$ 413,628</u>	

Financial assets at							
fair value through							
other							

comprehensive

income						
TWSE-listed						
stocks	\$418,415	\$	-	\$	-	\$418,415
Domestic shares						
not traded on an						
exchange or OTC	-		-	29,912		29,912
Foreign shares						
not traded on an						
exchange or OTC	<u>158</u>		<u>158</u>			
	<u>\$418,415</u>	<u>\$</u>	<u>-</u>	<u>\$ 30,070</u>		<u>\$448,485</u>

There was no transfer between Level 1 and Level 2 fair value measurement for the period from January 1 to September 30, 2025 and 2024.

2. Reconciliation of the financial assets measured at Level 3 fair value

	Financial assets at fair value through other comprehensive income	
	January 1 to September 30, 2025	January 1 to September 30, 2024
Balance - beginning of period	\$ 29,580	\$ 29,706
Recognized in other comprehensive income	532	351
Net exchange differences	(<u>30</u>)	<u>13</u>
Balance - end of period	<u>\$ 30,082</u>	<u>\$ 30,070</u>

3. Level 3 fair value valuation techniques and inputs

The fair value of investment products is estimated by referencing the contract's expected earnings yield; the fair value of unlisted shares is estimated based on the company's net worth.

(III) Type of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ 219,682	\$ 415,223	\$ 413,628
Financial assets at fair value through other	379,306	415,107	448,485

comprehensive income -			
Equity instrument			
investment			
Financial assets at amortized			
cost (Note 1)	4,358,389	4,329,091	3,709,697
Financial liabilities			
Measured at amortized cost			
(Note 2)	1,141,891	1,255,198	1,138,647

Note 1: The balance includes financial assets measured at amortized cost, e.g., cash and cash equivalents, other financial assets, notes receivable (including those due from related parties), accounts receivable (including those due from related parties), other receivables, financial assets at amortised cost and guarantee deposit paid.

Note 2: The balance included the financial liabilities measured at amortized cost such as short-term borrowings, notes payable, accounts payable, other payables, refund liabilities, and guarantee deposits received.

(IV) Financial risk management purpose and policy

The Group's financial risk management objectives are to manage the market risk, credit risk, and liquidity risk arising from operations. We also identify, measure, and manage the said risks according to our policy and risk preference, and seek to reduce the potentially adverse impact on the Group's financial position and financial performance.

The Group has put the said financial risk management policy in writing based on applicable regulations. Risk management work is carried out through close collaboration between the Group's business units and financial department, which are responsible for identifying, assessing, and avoiding financial risks and implementing the policy approved by the Board of Directors.

1. Market risk

(1) Exchange rate risk

The Group is exposed to the risk of exchange rate changes because it participates in purchase or sale transactions denominated in a currency other than its functional currency.

For the book value of the Group's monetary financial assets and monetary financial liabilities denominated in a currency other than the functional currency on the balance sheet date, refer to Note 30.

The Group is affected primarily by fluctuation in the exchange rate of USD. Below is a sensitivity analysis of the scenarios in which the exchange rate of each functional currency against each relevant foreign currency increases or decrease by 1%. The 1% represents the Group's assessment of a reasonable range of exchange rate change.

The sensitivity analysis includes only the foreign currency monetary items still outstanding on the balance sheet date. Scenario 1 as described in the following table represents the Group's profit or loss had each functional currency appreciated by 1% against USD. Scenario 2 as described in the following table represents the Group's profit or loss had each functional currency depreciated by 1% against the USD.

	Effect of USD currency (Note)	
	January 1 to September 30, 2025	January 1 to September 30, 2024
Scenario 1 - Pre-tax profit or loss	(\$ 3,410)	(\$ 2,007)
Scenario 2 - Pre-tax profit or loss	3,410	2,007

Note: Mainly comes from cash and cash equivalents, receivables, other receivables, other financial assets, short-term borrowings, and payables which were still outstanding on the balance sheet date and for which no cash flow hedge is purchased.

(2) Interest rate risk

The Group's interest rate risk mainly comes from bank deposits and repo bonds, by which the interest income generated would be impacted if interest rate changes. The Group does not expect to be significantly impacted by interest rate change.

(3) Other price risk

The Group is exposed to the risk of equity price change because it invests in domestic and foreign listed and unlisted shares, and fund benefit certificate and floating income financial products.

If equity price goes down/up 1%, the pre-tax profit for the period from January 1 to September 30, 2025 and 2024 will go down/up NT\$2,197 thousand and NT\$4,136 thousand, respectively, due to changes in the fair value of financial assets at fair value through profit or loss, and other comprehensive income for the period from January 1 to September 30, 2025 and 2024 will go down/up NT\$3,793 thousand and NT\$4,485 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss from the failure of customers or financial instrument counterparties to fulfill their obligations, and mainly comes from the Group's bank deposits,

other financial instruments, and the receivables due from customers that are generated from operations,

Operations manage customer credit risk based on the Group's customer credit risk management policy, procedures, and control. Such assessment accounts for the customer's financial condition, past transaction record, current economic environment, and the Group's internal credit rating. In addition, where appropriate, the Group uses some credit enhancement (e.g., trade advance, asset as collateral, etc.) to reduce the credit risk from certain customers.

The balance of customer receivables indicative of a credit concentration risk of the group is as follows:

Customer name	September 30, 2025	December 31, 2024	September 30, 2024
Yieh Phui Group	<u>\$ 291,814</u>	<u>\$ 323,953</u>	<u>\$ 321,281</u>

The financial department manages the credit risk accompanying bank deposits and other financial instruments according to the Group's policy. The Group's counterparties are all creditable banks, posing insignificant concern over default.

3. Liquidity risk

The Group's financial department monitors the forecast of the Group's liquidity needs to ensure that sufficient fund is available to meet operational needs, and maintains an amount of committed loan that is sufficient and left intact, at all times. As of September 30, 2025, December 31, 2024 and September 30, 2024, the amount of the Group's committed loans which have yet to be drawn on was NT\$1,078,612 thousand, NT\$1,241,591 thousand and NT\$1,235,891 thousand, respectively.

The remaining contractual maturity analysis for non-derivative financial liabilities was compiled based on the undiscounted cash flows from financial liabilities (including principal and estimated interest) on the earliest date on which the

Group will be demanded to pay. Therefore, the bank loans which the Group is able to pay in full immediately if so demanded are listed in the earliest interval in the following table, without factoring in the chance of banks' immediate execution of the right. The maturity analysis for other non-derivative financial liabilities was compiled based on the repayment date specified on the contract.

	Within 1 year	1~5 years	More than 5 years	Total
<u>September 30, 2025</u>				
Non-derivative financial liabilities				
Non interest bearing debt	\$1,121,075	\$ 9,428	\$ -	\$1,130,503
Floating rate liability	11,388	-	-	11,388
Lease liabilities	<u>18,714</u>	<u>2,404</u>	<u>-</u>	<u>21,118</u>
	<u>\$1,151,177</u>	<u>\$ 11,832</u>	<u>\$ -</u>	<u>\$1,163,009</u>
<u>December 31, 2024</u>				
Non-derivative financial liabilities				
Non interest bearing debt	\$1,237,287	\$ 9,652	\$ -	\$1,246,939
Floating rate liability	8,259	-	-	8,259
Lease liabilities	<u>22,456</u>	<u>15,465</u>	<u>\$ -</u>	<u>37,921</u>
	<u>\$1,268,002</u>	<u>\$ 25,117</u>	<u>\$ -</u>	<u>\$1,293,119</u>
<u>September 30, 2024</u>				
Non-derivative financial liabilities				
Non interest bearing debt	\$1,115,410	\$ 9,618	\$ -	\$1,125,028
Floating rate liability	13,619	-	-	13,619
Lease liabilities	<u>21,850</u>	<u>19,625</u>	<u>-</u>	<u>41,475</u>
	<u>\$1,150,879</u>	<u>\$ 29,243</u>	<u>\$ -</u>	<u>\$1,180,122</u>

XXVII. Related Party Transactions

Name of related party	Relationship with the Company
Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.
Jieyou Industrial Co., Ltd.	Substantive related party
Sanxiangmin Co., Ltd.	Substantive related party
Jauh Hsing Enterprise Co., Ltd.	Substantive related party
Yung Yu Paint Shop	Substantive related party
Yung Few Paint Co., Ltd.	Substantive related party
PPG Yung Chi Coating Co., Ltd.	Associate
TLT Engineering Sdn Bhd	Associate
Chang Te-Hsiung	Member of the Company's key management
Chang Te-Jen	Member of the Company's key

Chang Te-Sheng

management
Member of the Company's key
management

Transactions between the Group and related parties are as follows:

(I) Operating revenue

General ledger account	Type of related party	July 1 to		January 1 to	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Goods sales revenue	The Company assumes the key management role in other company	\$105,594	\$ 94,104	\$374,983	\$316,888
	Substantive related party	<u>33,823</u>	<u>24,049</u>	<u>101,488</u>	<u>76,318</u>
		<u><u>\$139,417</u></u>	<u><u>\$118,153</u></u>	<u><u>\$476,471</u></u>	<u><u>\$393,206</u></u>

Terms for sale to related parties are the same as those for an arm's length transaction.

(II) Receivables due from related parties

General ledger account	Type of related party	September 30, 2025	December 31, 2024	September 30, 2024
Notes and Accounts receivables	The Company assumes the key management role in other company	\$112,898	\$120,253	\$100,317
	Substantive related party	<u>56,293</u>	<u>71,815</u>	<u>44,491</u>
		<u><u>\$169,191</u></u>	<u><u>\$192,068</u></u>	<u><u>\$144,808</u></u>
Other receivables	Substantive related party	\$ 245	\$ 200	\$ 125

(III) Payables due to related parties

General ledger account	Type of related party	September 30, 2025	December 31, 2024	September 30, 2024

Other payables	Substantive related party	<u>\$ 1,696</u>	<u>\$ 2,297</u>	<u>\$ 2,113</u>
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The outstanding balance of the payables due to related parties was not secured against collateral.

(IV) Joint suretyship:

Joint surety for short-term borrowings as of September 30, 2025, December 31, 2024 and September 30, 2024 was provided by the key management.

(V) Other related party transactions

1. Lease agreements

The Company leased operational premises and shipping hubs from substantive related parties and members of the Company's key management. The lease term was 3 years and the rental, which was negotiated upon by referencing the rental charged in nearby areas, did not differ significantly from general lease terms and conditions. Lease liabilities recognized by the Company for said leases amounted to NT\$8,361 thousand, NT\$14,546 thousand and NT\$15,552 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

2. Lease agreements

Subsidiaries leased warehouses and plants to associates under an operating lease; the lease term was three years and three months, and the rental was agreed upon by referencing the rentals charged in nearby areas. There were no similar transactions with other related parties for comparison. Lease income recognized for the period from July 1 to September 30 in 2025 and 2024 and from January 1 to September 30 in 2025 and 2024 were NT\$902 thousand, NT\$1,033 thousand, NT\$2,887 thousand and NT\$3,081 thousand respectively.

3. Commissioned processing fee

The Group's fire resistance coating materials are processed by a substantive related party on a commission basis. The said expenses for the period from July 1 to September 30 of 2025 and 2024 and from January 1 to September 30 of 2025 and 2024 were NT\$5,272 thousand, NT\$5,455 thousand, NT\$16,791 thousand and NT\$13,133 thousand respectively. There was no transaction between the Company and other related parties which is similar enough for comparison.

(VI) Remuneration to key management

	July 1 to September 30, 2025	July 1 to September 30, 2024	to September 30, 2025	January 1 to September 30, 2024
Short-term employee benefits	\$ 13,631	\$ 8,179	\$ 30,475	\$ 25,390
Post-employment benefit	306	285	882	852
	<u>\$ 13,937</u>	<u>\$ 8,464</u>	<u>\$ 31,357</u>	<u>\$ 26,242</u>

XXVIII. Pledged and Mortgaged Assets

The following assets were provided as collateral for short-term borrowings or guarantee for construction warranty or L/C issuance:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment - net	\$ 360,130	\$ 360,836	\$ 361,146
Reserve deposit	20,004	19,950	-
Other financial assets - time deposit	400	400	400
	<u>\$ 380,534</u>	<u>\$ 381,186</u>	<u>\$ 361,546</u>

XXIX. Material contingent liabilities and unrecognized contractual commitments

As of September 30, 2025, the Group had the following material commitments yet to be fulfilled:

- (I) The L/Cs issued for purchase of materials but not used amounted to about NT\$6,540 thousand.
- (II) The guarantee letter issued by financial institutions for performance of contractual obligations amounted to about NT\$122,508 thousand.

(III) The unfulfilled obligations under construction contracts undertaken amounted to about NT\$1,148,240 thousand.

XXX. Information on foreign currency assets and liabilities with significant effects

The information below is an aggregate amount by foreign currency that is not a functional currency of entities of the Group. The exchange rate disclosed is the exchange rate used to convert the foreign currency into a functional currency. Information on foreign currency assets and liabilities with significant effects is as follows:

Unit: In thousand foreign currency; exchange rate: dollars

	Foreign currency	Exchange rate	Book value
<u>September 30, 2025</u>			
Foreign currency assets			
Monetary items			
USD	\$ 13,111	30.395 (USD:TWD)	\$ 398,513
CNY	4,197	4.246 (CNY:TWD)	17,821
SGD	1,617	23.52 (SGD:TWD)	38,021
USD	950	7.1055 (USD:CNY)	28,890
Foreign currency liabilities			
Monetary items			
USD	1,832	30.495 (USD:TWD)	55,861
EUR	287	35.97 (EUR:TWD)	10,319
USD	502	26,113 (USD:VND)	15,257
USD	550	4.1171 (USD:MYR)	16,710
<u>December 31, 2024</u>			
Foreign currency assets			
Monetary items			
USD	\$ 9,181	32.735 (USD:TWD)	\$ 300,546
CNY	17,152	4.453 (CNY:TWD)	76,380
Foreign currency liabilities			
Monetary items			
USD	\$ 678	32.835 (USD:TWD)	\$ 22,255
MYR	904	4.3709 (USD:MYR)	29,578
<u>September 30, 2024</u>			
Foreign currency assets			
Monetary items			
USD	\$ 9,354	31.6 (USD:TWD)	\$ 295,576
CNY	17,526	4.498 (CNY:TWD)	78,831

Foreign currency
liabilities

Monetary items

USD	1,839	31.7	(USD:TWD)	58,288
CNY	5,301	4.548	(CNY:TWD)	24,109

For the period from July 1 to September 30 of 2025 and 2024 and from January 1 to September 30, 2025 and 2024, net foreign exchange gains (losses) were gains of NT\$11,148 thousand, losses of NT\$666 thousand, losses of NT\$23,941 thousand and gains of NT\$22,053 thousand, respectively.

XXXI. Supplementary Disclosures

(I) Significant Transactions and (II) Information on Investees

1. Loaning of funds to others: None. Appendix Table 1
2. Making endorsements/guarantees for others: Appendix Table 2.
3. Significant securities held at the end of period (excluding investment in subsidiaries and associates): Appendix Table 3
4. Purchase or sale of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Appendix Table 4.
5. Receivables due from related parties reaching NT\$100 million or 20% of paid-in capital or more: Appendix Table 5.
6. Others: The business relationship and major transactions between the parent company and its subsidiaries and among subsidiaries and the amounts thereof: Appendix Table 6.
7. Information on investees: Appendix Table 7.

(III) Information on Investments in Mainland China

1. Name of investees in China; major business activities; paid-in capital; investment method; inward and outward remittance; shareholding percentage; investment gains or losses; book value of investments at the end of period; investment gain (loss) remitted

back; and limit on the amount of investment in China: Appendix Table 8.

2. Major transactions made with China investees through a third region, either directly or indirectly, and the price, payment terms, and unrealized gains or losses thereof:

(1) Purchase amount and the percentage thereof, and balance of related payables and the percentage thereof at the end of period

The purchase amount made by the Company from the subsidiary YUNG CHI Kunshan for the period from January 1 to September 30, 2025 was as follows:

	<u>Purchase amount</u>	<u>Payables at the end of period</u>
YUNG CHI Kunshan	<u>\$ 90,036</u>	<u>\$ 3,948</u>

The price of goods purchased by the Company from YUNG CHI Kunshan is formulated by referencing the market price; the average credit period is about three months after acceptance of goods or receipt of required payment requisition documents. Such amount was written off during the preparation of the consolidated financial statements.

(2) Sales amount and the percentage thereof, and balance of related receivables and the percentage thereof at the end of period

The amount of sales made by the Company to the subsidiary YUNG CHI Kunshan for the period from January 1 to September 30, 2025 was as follows:

	<u>Sales amount</u>	<u>Accounts receivable at the end of period</u>
YUNG CHI Kunshan	<u>\$ 28,093</u>	<u>\$ 4,619</u>

The price of goods sold by the Company to YUNG CHI Kunshan is set by using the cost-plus pricing approach; the average credit period is about 90 days to 100 days. The unrealized sales gain of NT\$2,271 thousand arising from the Company's sale of goods to YUNG CHI Kunshan as of September 30, 2025 was already written off when compiling the consolidated financial statements.

- (3) Asset transaction price and the amount of gain or loss arising therefrom: None.
- (4) The balance and purpose of endorsements and guarantees made for notes, or collateral provided, at the end of the period: None.
- (5) Financing facilities in terms of maximum balance, period-end balance, interest interval, and total interest in the same period: None.
- (6) Transactions significantly affected the profit or loss or financial position in the current period

The Company's purchase of materials on behalf of YUNG CHI Kunshan for the period from January 1 to September 30, 2025 is as follows; such amount was written off during the preparation of the consolidated financial statements:

	Transaction content	Transaction price	Other receivables
			at the end of period
YUNG CHI Kunshan	Purchase of material on behalf of another party	<u>\$24,778</u>	<u>\$ 5,600</u>

XXXII. Segment Information

Information provided for the operating decision makers to allocate resources and evaluate segment performance focuses on the type of products or services delivered or provided. The reportable segments of the Group are as follows:

- . Paint Business Department – mainly engaged in the manufacture and sale of various paint products.
- . Coating Engineering Department – engaged in the business of painting projects and structural coating or restoration.

Segment revenue and operating outcome

The revenue and operational outcome of the Group are analyzed by reportable segment as follows:

	Paint Business Department	Coating Engineering	Reconciliati on and write-off	Consolidation
<u>January 1 to September 30, 2025</u>				
Revenue from external customers	\$ 6,659,582	\$ 619,091	\$ -	\$ 7,278,673
Inter-segment revenue	<u>521,130</u>	<u>-</u>	<u>(521,130)</u>	<u>-</u>
Segment revenue	<u>\$ 7,180,712</u>	<u>\$ 619,091</u>	<u>(\$ 521,130)</u>	<u>\$ 7,278,673</u>
Segment gross profit	<u>\$ 1,830,889</u>	<u>\$ 68,375</u>		\$ 1,899,264
Operating expenses				(1,063,824)
Income from interests				17,743
Other income				49,495
Other gains and losses				(10,418)
Financial cost				(467)
Share of profit or loss of associates accounted for using equity method				(6,166)
Net profits before tax				<u>\$885,627</u>
<u>January 1 to September 30, 2024</u>				
Revenue from external customers	\$ 6,572,799	\$ 295,850	\$ -	\$ 6,868,649
Inter-segment revenue	<u>636,962</u>	<u>-</u>	<u>(636,962)</u>	<u>-</u>
Segment revenue	<u>\$ 7,209,761</u>	<u>\$ 295,850</u>	<u>(\$ 636,962)</u>	<u>\$ 6,868,649</u>
Segment gross profit	<u>\$ 1,714,695</u>	<u>\$ 28,266</u>		\$ 1,742,961
Operating expenses				(1,056,466)
Income from interests				20,294
Other income				47,458
Other gains and losses				23,945

Financial cost	(831)
Share of profit or loss of associates accounted for using equity method		987
Net profits before tax	\$	<u>778,348</u>

Segment profit means the profit earned by each segment. Such measurements serve as a basis for main operational decision makers to allocate resources to segments and evaluate their performance.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Loans to others

January 1 through September 30, 2025.

Appendix Table 1

Unit: NT\$1,000

No.	Lending company	Borrowing company	Financial account	Whether a related party or not	Maximum balance during the period	Balance, end of period	Drawdown (Note 2)	Interest rate range (%)	Nature of loaning of funds	Business transaction amount	Reasons for the need of short-term financing	Appropriated provisions	Collateral		Limit of loans to a single borrower (Note 1)	Limit of total loaning of funds (Note 1)	Remarks
													Name	Value			
1	YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD.	YUNG CHI PAINT & VARNISH MFG. (Jiaxing) CO., LTD.	Other receivables	Yes	\$445,793	\$445,793	\$330,409	2.00	Short-term financing fund	\$ -	Working capital	\$ -	None	\$ -	\$ 558,275	\$ 558,275	Note3

Note 1: According to the "Regulations Governing Loaning of Funds" of YUNG CHI PAINT & VARNISH MFG. (Kunshan) CO., LTD., the amount of intra-group loaning of funds made by an individual group entity or all group entities must not exceed 100% of the Company's paid-in capital.

Note 2: This is the amount converted using the exchange rates at the end of drawdown month.

Note 3: Written off during compiling the consolidated financial statements.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Making endorsements/ guarantees for others

January 1 through September 30, 2025.

Appendix Table 2

Unit: NT\$1,000

No.	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsement/ guarantees provided for a single party (Note 2)	Maximum balance for the period	Ending balance	Drawdown	Amount of endorsement/ guarantees collateralized with properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statement (%)	Highest limit (Note 2)	Guarantee provided by parent company to subsidiary	Guarantee provided by subsidiary to a parent company	Guarantee provided to entities in Mainland China	Remarks
		Company name	Relationship (Note 1)											
0	The Company	Twinahead International Material Co., Ltd.	1	324,000	33,290	33,290	-	-	0.33	648,000	N	N	N	
0	The Company	Superkuma International Co., Ltd.	1	324,000	98,001	-	-	-	-	648,000	N	N	N	
0	The Company	Jusheng Co., Ltd.	1	324,000	31,835	-	-	-	-	648,000	N	N	N	
0	The Company	Chief-Go Co., Ltd.	1	324,000	99,786	99,786	-	-	0.99	648,000	N	N	N	
0	The Company	Quan Shao Industrial Co., Ltd.	1	324,000	24,302	24,302	-	-	0.24	648,000	N	N	N	
0	The Company	Quan Cheng Industrial Co., Ltd.	1	324,000	7,560	7,560	-	-	0.08	648,000	N	N	N	
0	The Company	Quan Young Engineering Co., Ltd.	1	324,000	6,326	6,326	-	-	0.06	648,000	N	N	N	

Note 1: Companies with which the Company transacts.

Note 2: This is in accordance with the Company's Regulations for Making of Endorsements and Guarantees, which cap the Company's provision of endorsement and guarantee at 40% of the Company's paid-in capital, and which also cap the Company's provision of endorsement and guarantee for a single enterprise at 20% of the Company's paid-in capital.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Marketable Securities Held at the End of Period

September 30, 2025

Appendix Table 3

Unit: NT\$ thousand, unless otherwise stated

Investor	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	End of Period				Remarks
				Shares/units	Book value	Shareholding Percentage (%)	Fair value	
The Company	Fund benefit certificate Taishin 1699 Money Market Fund	The Company assumes the key management role in other company.	Financial assets at fair value through profit or loss-current	8,232,970	\$117,850	-	\$117,850	
	Fubon Chi-Hsiang Money Market Fund		Financial assets at fair value through profit or loss-current	6,164,810	101,832	-	101,832	
	Common shares China Steel Structure Co., Ltd.		Financial assets at fair value through other comprehensive income - current	5,000,000	210,750	2.50	210,750	
	Sheng Yu Steel Co., Ltd.		Financial assets at fair value through other comprehensive income - current	3,668,477	82,174	1.14	82,174	

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Purchase or sale of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

January 1 through September 30, 2025

Appendix Table 4

Unit: NT\$ thousand, unless otherwise stated

Purchase from (sale to)	Transaction counterparty	Relationship	Transaction details				Occurrence of transaction terms other than those for an arms-length transaction and reasons therefor	Notes/Accounts receivable (payable)	Ratio to total notes and accounts receivable (payable)	Remarks				
			Purchase (sales)	Amount	Ratio to total purchase (sales) (%)	Credit period								
The Company	Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.	Sales	\$374,983	5.15	The credit periods average 90 days to 100 days.	\$ -	-	\$112,898	5.15	-			
	Continental Coatings, Inc.	Subsidiary	Sales	151,616	2.08	The credit periods average 90 days to 100 days.	-	-	64,867	2.96	Note			
	Yung Chi Paint & Varnish Mfg. (Jiaxing) Co., Ltd.	Fellow subsidiary	Sales	104,681	1.44	The credit periods average payment at sight to 30 days.	-	-	91,237	4.16	Note			

Note: Written off during compiling the consolidated financial statements.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Receivables due from related parties reaching NT\$100 million or 20% of paid-in capital or more

September 30, 2025

Appendix Table 5

Unit: NT\$ thousand, unless otherwise stated

Company from which receivables are due	Transaction counterparty	Relationship	Item	Balance of receivables due from related parties	Turnover rate	Overdue receivables due from related parties		Receivables due from related party that were recovered after the reporting period	Appropriated allowance for bad debt
						Amount	Handling method		
The Company	Sheng Yu Steel Co., Ltd.	The Company assumes the key management role in other company.	Accounts receivable	\$ 112,898	3.22	\$ -	-	\$ 33,444	\$ 2,304
Yung Chi Paint & Varnish Mfg. (Kunshan) Co., Ltd.	Yung Chi Paint & Varnish Mfg. (Jiaxing) Co., Ltd.	Fellow subsidiary	Other receivables	332,741 (Note1)	- (Note2)	-	-	-	-

Note1: Written off during compiling the consolidated financial statements.

Note2: Other receivables.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries
 The business relationship and major transactions between the parent company and its subsidiaries
 January 1 through September 30, 2025

Appendix Table 6

Unit: NT\$ thousand, unless otherwise stated

No.	Company name	Counterparty	Relationship with the company	Transaction details			Ratio to consolidated total operating revenues or total assets (%)
				General ledger account	Amount	Transaction terms	
0	The Company	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	Parent company to subsidiary	Sales	\$ 28,093	The credit periods average 90 days to 100 days.	0.39
0	The Company	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	Parent company to subsidiary	Purchase	90,036	The credit periods average 60 days to 90 days.	1.24
0	The Company	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Vietnam)	Parent company to subsidiary	Sales	61,988	The credit periods average 90 days to 100 days.	0.85
0	The Company	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Malaysia)	Parent company to subsidiary	Sales	18,791	The credit periods average 90 days to 100 days.	0.26
0	The Company	Continental Coatings, Inc.	Parent company to subsidiary	Sales	151,616	The credit periods average 90 days to 100 days.	2.08
0	The Company	Continental Coatings, Inc.	Parent company to subsidiary	Accounts receivable	64,867	The credit periods average 90 days to 100 days.	0.56
1	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	Subsidiary to subsidiary	Sales	53,994	The credit periods average payment at sight to 30 days.s.	0.74
2	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	Subsidiary to subsidiary	Sales	104,681	The credit periods average payment at sight to 30 days.	1.44
2	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	Subsidiary to subsidiary	Accounts receivable	91,237	The credit periods average payment at sight to 30 days.	0.79
2	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	Subsidiary to subsidiary	Other receivables	332,741	According to the contract	2.90

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Information on investees

January 1 through September 30, 2025

Appendix Table 7

Unit: NT\$ thousand, unless otherwise stated

Name of investor	Investee	Region	Main business line	Original investment amount		Held at the period-end			Net Profit (Loss) of Investee Company in the period	Investment Gains (Losses) Recognized in the Period	Remarks
				End of This Period	End of Previous Year	Shares	Percentag e (%)	Book value			
The Company	Bmass Investment Co., Ltd	British Virgin Islands	Professional investment company	\$ 652,182	\$ 652,182	16,714,658	94	\$ 2,598,108	(\$ 3,488)	(\$ 3,282)	Subsidiary (Note)
The Company	Cmass Investment Co., Ltd	Samoa	Professional investment company	755,921	755,921	23,800,000	100	859,001	37,424	37,424	Subsidiary (Note)
The Company	Emass Investment International Co., Ltd	Samoa	Professional investment company	858,390	858,390	22,020,000	100	642,539	36,376	36,376	Subsidiary (Note)
The Company	PPG Yung Chi Coatings Co., Ltd	Vietnam	Paint and pigments manufacture	30,797	30,797	-	35	19,487	(15,795)	(5,593)	Associate
Cmass Investment Co., Ltd	Dmass Investment International Co., Ltd	Samoa	Professional investment company	755,921	755,921	23,800,000	100	860,907	37,422	37,422	Subsidiary (Note)
Emass Investment International Co., Ltd	Yung Chi America Corp	USA	Professional investment company	858,390	858,390	2,202,000	100	649,836	36,376	36,376	Subsidiary (Note)
Yung Chi America Corp	Continental Coatings, Inc.	USA	Sale and processing of paints	507,554	507,554	10,736,000	100	353,737	39,838	39,838	Subsidiary (Note)
Dmass Investment International Co., Ltd	Bmass Investment Co., Ltd	British Virgin Islands	Professional investment company	138,420	138,420	1,053,408	6	163,802	(3,488)	(206)	Subsidiary (Note)
Dmass Investment International Co., Ltd	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Vietnam)	Vietnam	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	488,081	488,081	-	100	487,901	30,650	30,650	Subsidiary (Note)
Dmass Investment International Co., Ltd	YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Malaysia)	Malaysia	Manufacture and sale of paints	383,127	383,127	44,552,170	100	191,727	6,446	6,446	Subsidiary (Note)
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Malaysia)	TLT Engineering Sdn Bhd	Malaysia	Thermal insulation and painting projects	16,011	16,011	1,960,000	49	6,008	(1,169)	(573)	Associate

Note: Written off during compiling the consolidated financial statements.

YUNG CHI PAINT & VARNISH MFG. CO., LTD and Subsidiaries

Information on Investments in Mainland China

January 1 through September 30, 2025.

Appendix Table 8

Unit: NT\$ thousand, unless otherwise stated

Investee in Mainland China	Main business line	Paid-in Capital	Method of investment	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in this period		Accumulated amount of investments from Taiwan at the end of period	The Company's shareholding of direct or indirect investee	Profit (loss) of investee in the current period (Note 1)	Investment gains of losses recognized in current period (losses)	Investment book value at the end of the period	Profit received from investments as of the end of current period	Remarks
					Outflow	Inflow							
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Kunshan)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	\$ 493,722	Investment in China through a company in a third region	\$ 483,140	\$ -	\$ -	\$ 483,140	\$ 51,995	100.00	\$ 51,995	\$ 1,638,634	\$ 1,366,447	Note5
YUNG CHI PAINT & VARNISH MFG. CO., LTD. (Jiaxing)	Manufacture and sale of paints and undertaking of coating and painting engineering projects.	1,517,013	Investment in China through a company in a third region	158,460	-	-	158,460	(55,603)	100.00	(55,603)	1,119,755	-	Note5

Name of investor	Accumulated amount of investments from Taiwan to Mainland China at the end of period (Note 2)	Investment amount approved by the Investment Review Committee, MOEA (Note 3)	Limit on the Company's investment in China (Note 4)
The Company	\$ 652,182	\$ 1,124,615	\$ 6,030,000

Note 1: The investment gain or loss is recognized based on the Taiwan parent's financial statements audited and attested by CPAs.

Note 2: The accumulated investment amount remitted from Taiwan to Bmass at the end of this period was US\$20,132 thousand, but the amount actually invested in YUNG CHI Kunshan and YUNG CHI Jiaxing by Bmass was US\$14,687 thousand and US\$ 5,132 thousand, respectively.

Note 3: This is the amount converted using the exchange rates at the end of September 2025.

Note 4: Calculated by the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" promulgated by the Investment Review Committee on August 29, 2008: Net worth $\$10,050,000 \times 60\% = \$6,030,000$.

Note 5: Written off during compiling the consolidated financial statements.