M. J. International Co., Ltd. and Subsidiaries

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

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
M. J. International Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of M. J. International Co., Ltd. and its subsidiaries (collectively referred to as the "M.J. Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters in the audit of the M.J. Group's consolidated financial statements for the year ended December 31, 2025 are stated below:

M.J. Group's consolidated revenue was NT$3,162,915 thousand for the year ended December 31, 2025. Among all sales customers, revenue recognition relating to certain individual customers with significant growth in sales was material to the Group. Therefore, the authenticity of revenue recognized from these customers was identified and included in the key audit matters of the consolidated financial statements for the year ended December 31, 2025. Refer to Notes 4 (15) and 26 of the Consolidated Financial Statements for the year ended December 31, 2025, the description of the revenue recognition policy.

Our audit procedures performed included the following:

1. Through understanding the design and implementation of the internal control over sales and collection cycle, we accordingly designed audit procedures on the internal control over sales and collection cycle, in order to confirm and evaluate the effectiveness of the M.J. Group's internal control over sales and collection cycle.

2. We selected appropriate samples from the sales transactions with the above-mentioned customer; reviewed shipment orders, invoices, bill of lading, and other customs documents; and verified remittance counterparties and cash receipts process, in order to confirm the occurrence of sales.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the M.J. Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the M.J. Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the M.J. Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the M.J. Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the M.J. Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chiang Hsun Chen and Chao Mei Chen.

Chinghsun Chen   Chao-Mei, Chen

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 27, 2026

<u>*Notice to Readers*</u>

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 accepted and 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.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,628,790	25	$ 904,626	14
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	45,315	1	133,456	2
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 4, 8, 10 and 36)	94,087	1	128,799	2
Financial assets at amortized cost - current (Notes 4, 9, 10 and 36)	49,092	1	13,032	-
Notes receivable (Notes 4, 11 and 26)	1,292	-	581	-
Notes receivable from related parties (Notes 4, 26 and 35)	6	-	275	-
Trade receivables (Notes 4, 11 and 26)	804,936	13	1,195,109	18
Trade receivables from related parties (Notes 4, 26 and 35)	22,725	-	20,002	-
Other receivables (Notes 4 and 11)	38,157	1	50,530	1
Current tax assets (Notes 4 and 28)	2,976	-	176	-
Inventories (Notes 4 and 12)	402,244	6	498,511	8
Non-current assets held for sale (Notes 4 and 13)	-	-	13,864	-
Other current assets (Note 20)	70,198	1	69,071	1
Total current assets	3,159,818	49	3,028,032	46
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4, 8 and 10)	12,483	-	13,962	-
Property, plant and equipment (Notes 4, 15 and 36)	2,823,045	44	3,120,052	47
Right-of-use assets (Notes 4 and 16)	117,388	2	123,844	2
Investment properties, net (Notes 4 and 17)	294,648	5	312,142	5
Goodwill (Notes 4 and 18)	-	-	-	-
Other intangible assets (Notes 4 and 19)	1,749	-	2,325	-
Deferred tax assets (Notes 4 and 28)	10,527	-	8,727	-
Other non-current assets (Notes 4 and 20)	2,758	-	2,986	-
Total non-current assets	3,262,598	51	3,584,038	54
TOTAL	$ 6,422,416	100	$ 6,612,070	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 21)	$ 420,706	7	$ 160,000	2
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	-	-	1,760	-
Contract liabilities - current (Notes 4 and 26)	6,723	-	8,651	-
Trade payables	290,192	4	380,849	6
Other payables (Notes 23 and 33)	252,641	4	312,615	5
Current tax liabilities (Notes 4 and 28)	13,022	-	62,153	1
Provisions - current (Notes 4 and 24)	33,616	1	28,848	-
Liabilities directly associated with non-current assets held for sale (Notes 4 and 13)	-	-	912	-
Current portion of long-term borrowings and bonds payable (Notes 4, 21, 22, 31 and 36)	290,367	5	38,357	1
Other current liabilities	2,819	-	1,857	-
Total current liabilities	1,310,086	21	996,002	15
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 22)	-	-	297,863	4
Long-term borrowings (Notes 4, 21, 31 and 36)	1,878,912	29	2,227,089	34
Deferred tax liabilities (Notes 4 and 28)	7,700	-	7,939	-
Deferred revenue - non-current (Notes 4, 23 and 31)	191,375	3	201,151	3
Guarantee deposit received	908	-	902	-
Total non-current liabilities	2,078,895	32	2,734,944	41
Total liabilities	3,388,981	53	3,730,946	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 25)				
Share capital				
Ordinary shares	798,256	12	698,256	11
Capital surplus	1,596,642	25	1,404,401	21
Retained earnings				
Legal reserve	240,365	4	226,847	3
Special reserve	-	-	120,099	2
Unappropriated earnings	478,976	7	434,720	7
Total retained earnings	719,341	11	781,666	12
Other equity	(59,354)	(1)	18,251	-
Treasury shares	(21,450)	-	(21,450)	-
Total equity attributable to owners of the Company	3,033,435	47	2,881,124	44
NON-CONTROLLING INTERESTS (Notes 4 and 25)	-	-	-	-
Total equity	3,033,435	47	2,881,124	44
TOTAL	$ 6,422,416	100	$ 6,612,070	100

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

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)				
Sales	$ 3,162,915	100	$ 3,861,337	100
OPERATING COSTS (Notes 12 and 27)				
Cost of goods sold	(2,685,565)	(85)	(3,215,754)	(83)
GROSS PROFIT	477,350	15	645,583	17
OPERATING EXPENSES (Note 27)				
Selling and marketing expenses	(164,089)	(5)	(182,356)	(5)
General and administrative expenses	(180,611)	(6)	(209,302)	(5)
Research and development expenses	(56,242)	(2)	(56,468)	(2)
Expected credit (loss) gain (Notes 4, 10 and 11)	(3,717)	-	136	-
Total operating expenses	(404,659)	(13)	(447,990)	(12)
PROFIT FROM OPERATIONS	72,691	2	197,593	5
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 27)				
Interest income	46,664	1	38,022	1
Other income	15,082	1	15,836	-
Other gains and losses	(78,834)	(2)	46,939	1
Finance costs (Note 22)	(56,280)	(2)	(59,674)	(1)
Total non-operating income and expenses	(73,368)	(2)	41,123	1
(LOSS) PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(677)	-	238,716	6
INCOME TAX EXPENSE (Notes 4 and 28)	(61,648)	(2)	(98,968)	(3)
NET LOSS FROM DISCONTINUED OPERATIONS (Note 13)	-	-	(7,605)	-
NET (LOSS) PROFIT FOR THE YEAR	(62,325)	(2)	132,143	3

(Continued)

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 4 and 25)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ (83,067)	(2)	$ 135,724	4
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	5,462	-	2,670	-
Other comprehensive (loss) income for the year, net of income tax	(77,605)	(2)	138,394	4
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (139,930)	(4)	$ 270,537	7
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ (62,325)	(2)	$ 135,185	3
Non-controlling interests	-	-	(3,042)	-
	$ (62,325)	(2)	$ 132,143	3
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (139,930)	(4)	$ 273,535	7
Non-controlling interests	-	-	(2,998)	-
	$ (139,930)	(4)	$ 270,537	7
(LOSS) EARNINGS PER SHARE (NT$; Note 29)				
From continuing and discontinued operations				
Basic	$ (0.81)		$ 2.02	
Diluted	$ (0.81)		$ 1.97	
From continuing operations				
Basic	$ (0.81)		$ 2.08	
Diluted	$ (0.81)		$ 2.03	

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

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Shares Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2024	$ 660,590	$ 1,259,321	$ 226,847	$ 104,307	$ 335,031	$ (111,945)	$ (8,154)	$ (21,450)	$ 2,444,547	$ 2,959	$ 2,447,506
Appropriation of 2023 earnings (Note 25)											
Special reserve	-	-	-	15,792	(15,792)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(19,704)	-	-	-	(19,704)	-	(19,704)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	135,185	-	-	-	135,185	(3,042)	132,143
Other comprehensive income for the year ended December 31, 2024, net of income tax (Note 25)	-	-	-	-	-	135,680	2,670	-	138,350	44	138,394
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	135,185	135,680	2,670	-	273,535	(2,998)	270,537
Convertible bonds (Note 22)	37,666	145,080	-	-	-	-	-	-	182,746	-	182,746
Disposal of subsidiaries (Notes 25 and 31)	-	-	-	-	-	-	-	-	-	39	39
BALANCE ON DECEMBER 31, 2024	698,256	1,404,401	226,847	120,099	434,720	23,735	(5,484)	(21,450)	2,881,124	-	2,881,124
Issuance of ordinary shares for cash	100,000	287,000	-	-	-	-	-	-	387,000	-	387,000
Issuance of cash dividends from capital surplus (Note 25)	-	(95,335)	-	-	-	-	-	-	(95,335)	-	(95,335)
Share-based payment (Note 30)	-	576	-	-	-	-	-	-	576	-	576
Appropriation of 2024 earnings (Note 25)											
Legal reserve	-	-	13,518	-	(13,518)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(120,099)	120,099	-	-	-	-	-	-
Net loss for the year ended December 31, 2025	-	-	-	-	(62,325)	-	-	-	(62,325)	-	(62,325)
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax (Note 25)	-	-	-	-	-	(83,067)	5,462	-	(77,605)	-	(77,605)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(62,325)	(83,067)	5,462	-	(139,930)	-	(139,930)
BALANCE ON DECEMBER 31, 2025	$ 798,256	$ 1,596,642	$ 240,365	$ -	$ 478,976	$ (59,332)	$ (22)	$ (21,450)	$ 3,033,435	$ -	$ 3,033,435

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

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax		
(Loss) profit from continuing operations before tax	$ (677)	$ 238,716
Loss from discontinued operations before tax	-	(7,605)
	(677)	231,111
Adjustments for:		
Depreciation expense	246,834	275,951
Amortization expense	1,487	1,328
Expected credit loss recognized (reversed) on trade receivables	3,717	(136)
Finance costs	56,280	60,201
Interest income	(46,664)	(38,022)
Share-based payments	576	-
Impairment loss recognized on non-financial assets	87,712	17,097
Loss on disposal of property, plant and equipment	1,842	6,201
Net loss (profit) on fair value changes of financial assets and liabilities at FVTPL	2,202	(1,897)
Gain on disposal of non-current assets classified as held for sale (Note 13)	(13,366)	-
Net loss (gain) on foreign currency exchange	17,594	(48,291)
Loss on bond redemption	4,559	-
Gains from disposal of its subsidiaries	-	(8,792)
Deferred revenue recognized as other income	(8,099)	(8,243)
Changes in operating assets and liabilities		
Notes receivable	(711)	1,334
Notes receivable to related parties	269	199
Trade receivables	352,925	(527,753)
Trade receivables to related parties	(2,609)	6,468
Other receivables	12,845	7,313
Inventories	87,813	(112,142)
Other current assets	29,144	19,122
Contract liabilities	(1,928)	(21,000)
Trade payables	(91,061)	67,212
Other payables	(43,984)	74,136
Other payables to related parties	-	(52)
Provision for liabilities	5,919	9,595
Other current liabilities	962	1,457
Cash generated from operations	703,581	12,397
Interest received	39,860	30,294
Interest paid	(52,529)	(50,694)
Income tax paid	(112,572)	(84,986)
Net cash generated from (used in) operating activities	578,340	(92,989)

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M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 31,180	$ -
Purchase of financial assets at amortized cost	(45,735)	-
Proceeds from sale of financial assets at amortized cost	11,912	52,006
Purchase of financial assets at fair value through profit or loss	(18,767)	(94,708)
Proceeds from sale of financial assets at fair value through profit or loss	103,421	53,217
Disposal of non-current assets held for sale	26,388	-
Payments for property, plant and equipment	(71,998)	(119,068)
Proceeds from disposal of property, plant and equipment	1,790	1,776
Increase in refundable deposits	-	(193)
Decrease in refundable deposits	152	15
Payments for intangible assets	(973)	(1,412)
Increase in other non-current assets	-	(2,767)
Net cash inflow from disposal of its subsidiaries	-	9,652
Interest received	5,747	7,407
Net cash generated from (used in) investing activities	43,117	(94,075)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,460,323	395,099
Decrease in short-term borrowings	(1,199,617)	(265,099)
Redeemed convertible bonds	(286,342)	-
Repayments of long-term borrowings	(138,356)	(117,677)
Increase in guarantee deposits received	20	-
Decrease in guarantee deposits received	-	(77)
Payments of lease liabilities	-	(1,074)
Cash dividends paid	(95,335)	(19,704)
Issuance of ordinary shares for cash	387,000	-
Net cash generated from (used in) financing activities	127,693	(8,532)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(24,986)	100,909
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	724,164	(94,687)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	904,626	999,313
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,628,790	$ 904,626

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

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

M. J. International Co., Ltd. (the "Company") was incorporated in the British Cayman Islands on October 8, 2010. The Company and its subsidiaries (collectively referred to as the "Group") have reorganized in order to list the Company's shares on the Taiwan Stock Exchange. After the organization restructuring, the Company has become the holding company of all consolidated entities. The Company's shares have been listed on the Taiwan Stock Exchange since November 2016. The major operating activities of the Group are the development and sale of plastic flooring tiles.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 11, 2026.

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

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

Amendments to IAS 21 "Lack of Exchangeability"

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position.

c. The IFRS Accounting Standards issued but not yet endorsed and enforced by the FSC

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

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

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

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

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

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

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period; and

- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Basis of consolidation

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

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

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

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

See Note 14 and Tables 7 and 8 for more information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

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

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

Goodwill and fair value adjustments recognized on identifiable assets and liabilities of acquired foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

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

f. Inventories

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

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

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

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

j. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

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

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

l. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

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

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable, trade receivables and other receivables), investments in debt instruments that are measured at FVTOCI.

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

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

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

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 120 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - others.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including structured deposits.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations to assure that products comply with sales contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with sales contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

o. Revenue recognition

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

Revenue from the sale of goods comes from sales of LVT floors. Sales of LVT floors are recognized as revenue when the goods are shipped or the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances. Provision for estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize provisions, which is classified under other payables.

p. Leases

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

1) The Group as lessor

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

Lease payments from operating leases are recognized as income on a straight-line basis.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

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

Lease liabilities are initially measured at the present value of the lease payments (fixed payments). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

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

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

r. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

t. Share-based payment arrangements Employee share options

Employee share options granted to employees

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

The Group revises its estimate of the expected number of employee stock options to vest at each balance sheet date. Any revision to the original estimate is recognized in profit or loss, so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - employee stock options.

u. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and foreign exchange market fluctuations and regulations as well as US reciprocal tariffs on cash flow projections, growth rates, discount rates, profitability, and relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment

Impairment of equipment in relation to the production of handsets is evaluated based on the recoverable amount of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	$ 1,002	$ 1,335
Checking accounts and demand deposits	770,696	818,714
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	857,092	84,577
	$ 1,628,790	$ 904,626

The market rate intervals of cash in the bank at the end of the year were as follows

	December 31	
	2025	2024
Bank balance	0.01%-4.1%	0.002%-4.34%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Hybrid financial assets		
Structured deposits	$ 45,315	$ 133,456
Financial liabilities - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Options of convertible bonds (Note 22)	$ -	$ 1,760

Upon entering into a structured time deposit contract with a bank, the Company identified that the contract contains an embedded derivative that is not closely related to the host contract. As the host contract qualifies as a financial asset within the scope of IFRS 9 - Financial Instruments, the entire hybrid contract is required to be classified and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in debt instruments at FVTOCI

	December 31	
	2025	2024
Current		
Foreign investment		
Foreign bonds investments	$ 94,087	$ 128,799
Non-current		
Foreign investment		
Foreign bonds investments	12,483	13,962
	$ 106,570	$ 142,761

a. For information on credit risk management and impairment of investments in financial assets at fair value through other comprehensive income (FVOCI), refer to Note 10.

b. For information on pledged debt investments measured at fair value through other comprehensive income (FVOCI), refer to Note 36.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Restricted assets - time deposits	$ 1,001	$ 13,032
Time deposits with original maturities of more than 3 months	48,091	-
	$ 49,092	$ 13,032

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.3% per annum as of December 31, 2025.

b. For information on credit risk management and impairment of investments in financial assets at amortized cost, refer to Note 10.

c. For information on pledged debt financial assets measured at amortized cost, refer to Note 36.

10. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

December 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 126,762	$ 49,092
Less: Allowance for impairment loss	(16,676)	-
Amortized cost	110,086	$ 49,092
Adjustment to fair value	(22)	
Exchange differences	(3,494)	
	$ 106,570	

December 31, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 165,249	$ 13,032
Less: Allowance for impairment loss	(13,077)	-
Amortized cost	152,172	$ 13,032
Adjustment to fair value	(5,484)	
Exchange differences	(3,927)	
	$ 142,761	

The Group's policy is to invest primarily in debt instruments that are rated investment grade or above and are considered to have low credit risk. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continually monitored. The Group reviews changes in bond yields and other publicly available information and assesses whether there has been a significant increase in credit risk since initial recognition.

In determining the expected credit losses on debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries in order to measure the 12-month or lifetime expected credit losses on debt instrument investments. The Group's current credit risk rating mechanism, the total carrying amount of debt instrument investments by credit rating, and the applicable expected credit loss rates are as follows:

Category	Description	Expected Credit Losses (ECLs)/Action Taken
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition, or the debtor is assessed to have higher credit risk but still has a strong capacity to meet contractual cash flows.	Lifetime ECLs - not credit impaired
In default	There is evidence of the asset being credit impaired.	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

December 31, 2025

		Gross Carrying Amount	
Category	Expected Loss Rate	At FVTOCI	At Amortized Cost
Performing	0%	$ 101,002	$ 49,092
Doubtful	0.4%-37.3%	6,561	-
In default	37.3%-100%	19,199	-
Write-off	100%	-	-
		$ 126,762	$ 49,092

December 31, 2024

		Gross Carrying Amount	
Category	Expected Loss Rate	At FVTOCI	At Amortized Cost
Performing	0%	$ 138,378	$ 13,032
Doubtful	0.5%-37.1%	13,745	-
In default	37.1%-100%	13,126	-
Write-off	100%	-	-
		$ 165,249	$ 13,032

The movements of the allowance for impairment loss at FVTOCI were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In Default (Lifetime ECLs - Credit Impaired)
Balance on January 1, 2025	$ -	$ 3,334	$ 9,743
Changes in credit ratings-			
Abnormal turns into default	-	(2,435)	2,435
Change in risk parameters*	-	(21)	4,128
Exchange rates	-	(158)	(350)
Balance on December 31, 2025	$ -	$ 720	$ 15,956
Balance on January 1, 2024	$ -	$ 3,144	$ 9,141
Change in risk parameters*	-	(23)	(16)
Exchange rates	-	213	618
Balance on December 31, 2024	$ -	$ 3,334	$ 9,743

* Changes in credit ratings as provided by third-party agencies.

11. NOTES RECEIVABLE, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	December 31	
	2025	2024
Notes receivable		
At amortized cost		
Gross carrying amount - operating	$ 1,292	$ 581
Less: Allowance for impairment loss	-	-
	$ 1,292	$ 581
Trade receivables		
At amortized cost		
Gross carrying amount	$ 609,623	$ 1,023,296
Less: Allowance for impairment loss	(1,346)	(1,779)
	608,277	1,021,517
At FVTOCI	196,659	173,592
	$ 804,936	$ 1,195,109

(Continued)

	December 31	
	2025	2024
Other receivables		
Tax refund receivable	$ 25,134	$ 40,501
Interest receivable	10,800	9,517
Others	4,151	2,478
Less: Allowance for impairment loss	(1,928)	(1,966)
	$ 38,157	$ 50,530

(Concluded)

a. Notes receivable and trade receivables

1) Notes and accounts receivable measured at amortized cost

The Group's average collection period for notes receivable ranges from 30 to 60 days, while the average credit period for merchandise sales ranges from 30 to 150 days. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and credit approvals and for implementing other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for possible irrecoverable amounts. Through these measures, the management of the Company believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for notes and trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes and trade receivables are estimated using a provision matrix approach based on historical experience, current market conditions, and forward-looking information. The Group's provision matrix first individually identifies whether customers have objective evidence indicating impairment of significant individual receivables. For those significant individual receivables with objective evidence of impairment, the impairment amount is assessed individually. For the remaining customers, as the Group's historical credit loss experience does not show significantly varying loss patterns for different customer segments, the provision for loss allowance based on past - due status is not further distinguished according to the Group's different customer bases.

The Group writes off a trade receivable when there is evidence that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For notes and trade receivables that have been written off, the Group continues to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table shows the loss allowance for notes receivable based on the Group's provision matrix.

December 31, 2025

	Not Past Due
Expected credit loss rate	0%
Gross carrying amount	$ 1,292
Loss allowance (Lifetime ECL)	-
Amortized cost	$ 1,292

December 31, 2024

	Not Past Due
Expected credit loss (ECL) rate	0%
Gross carrying amount	$ 581
Loss allowance (lifetime ECL)	-
Amortized cost	$ 581

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

December 31, 2025

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	$ 605,481	$ 2,796	$ -	$ -	$ 1,346	$ 609,623
Loss allowance (lifetime ECL)	-	-	-	-	(1,346)	(1,346)
Amortized cost	$ 605,481	$ 2,796	$ -	$ -	$ -	$ 608,277

December 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	$ 1,003,569	$ 17,948	$ -	$ -	$ 1,779	$ 1,023,296
Loss allowance (lifetime ECL)	-	-	-	-	(1,779)	(1,779)
Amortized cost	$ 1,003,569	$ 17,948	$ -	$ -	$ -	$ 1,021,517

The movements of the loss allowance for trade receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 1,779	$ 10,572
Add: Impairment loss recognized	(390)	(97)
Less: Amounts written off	-	(9,122)
Disposition of subsidiaries (Note 32)	-	(68)
Foreign exchange gains and losses	(43)	494
Balance on December 31	$ 1,346	$ 1,779

2) At FVTOCI

For trade receivables from a specific customer, the Group will decide the selling without recourse of a portion of these trade receivables to banks based on its level of working capital.

The following table shows the loss allowance for trade receivables at FVTOCI based on the Group's provision matrix.

December 31, 2025

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	$ 196,659	$ -	$ -	$ -	$ -	$ 196,659
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 196,659	$ -	$ -	$ -	$ -	$ 196,659

December 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	$ 173,592	$ -	$ -	$ -	$ -	$ 173,592
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 173,592	$ -	$ -	$ -	$ -	$ 173,592

b. Other receivables

Other receivables primarily comprise tax refund receivables and interest receivables. The Group's policy is to transact only with counterparties that have good credit standing. The Group continually monitors these receivables and assesses whether there has been a significant increase in credit risk since initial recognition by considering the counterparties' default history and current financial condition.

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

December 31, 2025

	Group A	Group B	Total
Expected credit loss (ECL) rate	-	100%	
Gross carrying amount	$ 38,157	$ 1,928	$ 40,085
Loss allowance (lifetime ECL)	-	(1,928)	(1,928)
Amortized cost	$ 38,157	$ -	$ 38,157

December 31, 2024

	Group A	Group B	Total
Expected credit loss (ECL) rate	-	100%	
Gross carrying amount	$ 50,530	$ 1,966	$ 52,496
Loss allowance (lifetime ECL)	-	(1,966)	(1,966)
Amortized cost	$ 50,530	$ -	$ 50,530

The movements of the loss allowance for trade receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 1,966	$ 1,869
Foreign exchange translation differences	(38)	97
Balance on December 31	$ 1,928	$ 1,966

12. INVENTORIES

	December 31	
	2025	2024
Merchandise	$ 12,680	$ 7,692
Finished goods	97,974	229,073
Work in progress	81,463	130,466
Raw materials	85,449	131,280
Inventory in transit	124,678	-
	$ 402,244	$ 498,511

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

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 2,570,536	$ 3,165,022
Inventory write-downs and obsolescence loss	8,241	17,097
Unallocated production overhead	106,788	33,635
	$ 2,685,565	$ 3,215,754

13. DISCONTINUED OPERATIONS/NON-CURRENT ASSETS AS HELD FOR SALE

a. Discontinued operations

The Group planned to dispose of its subsidiary, Green Touch Floors Inc., in 2024 as part of its operational planning. Because the Group regarded this subsidiary as a separate cash-generating unit with primary operations, it reclassified this cash-generating unit as a discontinued operation. Since the expected selling price exceeded the carrying amount of the related net assets, no impairment loss was recognized upon classification of the unit as non-current assets held for sale. As of balance sheet date, the disposal had not yet been completed.

The information on profit (loss) from discontinued operations and the related cash flows is as follows:

	For the Seven Months Ended July 31, 2024
Operating revenue	$ 14,991
Operating costs	(18,621)
Gross loss	(3,630)
Selling and marketing expenses	(2,793)
General and administrative expenses	-
Expected credit loss	-
Loss from operations	(6,423)
Other gain and loss	(655)
Finance costs	(527)
Loss before income tax from discontinued operations	(7,605)
Income tax benefit	-
Loss from discontinued operations	$ (7,605)
Loss from discontinued operations attributable to:	
Owners of the Company	$ (4,563)
Non-controlling interests	(3,042)
	$ (7,605)
Cash flows	
Operating activities	$ 200
Financing activities	(173)
Foreign currency exchange differences	4
Net cash inflows	$ 31

There was no tax expense/benefit related to the loss on discontinued operations.

The supplementary information on other gains and losses on discontinued operations is as follows:

	For the Seven Months Ended July 31, 2024
An analysis of depreciation by function	
Operating expenses	$ 1,264
An analysis of amortization by function	
General and administrative expenses	$ -

b. Non-current assets held for sale

On December 23, 2024, the Group signed a sales contract on the property of its Beijing subsidiary. The contract price was agreed at CNY6,000 thousand, with an advance payment of CNY200 thousand equivalent to NT$26,388 thousand. The full payment was received on March 26, 2025, and a gain of NT$13,366 thousand on the disposal of non-current assets held for sale was recognized. When the investment property was classified as a non-current asset held for sale, no impairment loss was recognized because the expected selling price exceeded the carrying amount.

	December 31, 2024
Property for sale	$ 13,864
Liabilities directly associated with non-current assets classified as held for sale	$ 912

14. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activity	Proportion of Ownership (%) December 31 2025	2024
M. J. International Co., Ltd.	Prolong International Co., Limited	Investment holding	100 a.	100
	M.J. International Flooring And Interior Products Inc.	Manufacture and sale of plastic floor tiles, decorative and renovation materials, and other building materials.	100 b.	100
	Opulent International Group Limited	International trade	100	100
	Fullhouse Investments Limited.	Investment holding	- c.	100
M. J. International Co., Ltd.	MJ Group US INC	Trade in Decorative and Renovation Materials	100 e.	100 d.
	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service	99 g.	99 f.
Fullhouse Investments Limited	Green Touch Floors Inc.	Sale of engineered wood flooring, plastic floor tiles, decorative renovation materials, and other building materials.	-	- h.
M.J. International Flooring And Interior Products Inc.	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service	1 g.	1 f.
Prolong International Co., Limited	Dongguan MeiJer Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities.	100 i.	100
	Dongguan Prolong Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities.	100 j.	100
Dongguan MeiJer Plastic Products Co., Ltd.	Chongqing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100
	Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	- k.	62
	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	36	36
	Wuhan M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100
Dongguan Prolong Plastic Products Co., Ltd.	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	64	64
	Xian M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100
	Shenyang M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100
	Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	- k.	38

a. Prolong International Co., Limited resolved on July 10, 2025, to reduce its capital and return capital in the amount of USD 8,000 thousand, and the change in registration was completed on August 15, 2025.

b. The Group's board of directors resolved on May 7, 2025 and November 20, 2025, to approve cash capital increases in M.J. International Flooring And Interior Products Inc. of NT$100,000 thousand and NT$300,000 thousand, respectively. To improve the financial structure, the Group's board of directors resolved on November 20, 2025 to reduce capital with the aim to cover losses of NT$800,000 thousand, and the change in registration was completed on January 9, 2026.

c. Fullhouse Investments Limited completed tax deregistration on March 7, 2025, and the liquidation repatriation has been finalized.

d. Due to business needs, the Company's board of directors approved on March 7, 2024 the investment of US$250 thousand to establish MJ Group US INC.

e. To provide future working capital for MJ Group US INC., the Group's Board of Directors resolved on November 6, 2025 to approve a cash capital increase of USD 250 thousand.

f. Due to business needs, the Company's subsidiary established in Thailand, which is jointly held by the Company and its subsidiary, M.J. International Flooring And Interior Products Inc.

g. On March 12, 2025, the Company resolved to increase the capital of M.J. TECHNOLOGIES (THAILAND) CO., LTD. by THB337,500 thousand in cash. On March 21, 2025, the Company and M.J. International Flooring And Interior Products Inc., the actual capital increase was THB37,500 thousand. Due to a temporary suspension of operations in Thailand and to optimize the Group's use of funds, the Board of Directors resolved on November 6, 2025 to reduce capital by THB 37,500 thousand. The shareholders of M.J. TECHNOLOGIES (THAILAND) CO., LTD. approved the capital reduction at their meeting on November 17, 2025, and the change was registered on January 6, 2026. As of December 31, 2025, with paid-in capital of THB 12,500 thousand.

h. The Group's board of directors resolved on May 9, 2024, to approve the sale of Green Touch Floors Inc., and the stock settlement was completed on August 1, 2024.

i. Dongguan MeiJer Plastic Products Co., Ltd. resolved on January 24, 2025, to reduce its capital and return capital in the amount of USD 6,900 thousand, and the change in registration was completed on June 4, 2025.

j. Dongguan Prolong Plastic Products Co., Ltd. resolved on January 24, 2025, to reduce its capital and return capital in the amount of HKD 32,000 thousand, and the change in registration was completed on May 23, 2025.

k. The Group's board of directors resolved on May 7, 2025, to approve the liquidation of Beijing M.J. Architecture & Decoration Materials Co., Ltd. The cancellation of registration was completed on November 13, 2025.

15. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost									
Balance on January 1, 2025	$ 456,595	$ 1,861,740	$ 1,897,054	$ 39,857	$ 37,193	$ 19,315	$ 214,158	$ 55,670	$ 4,581,582
Additions	-	6,398	40,292	1,159	973	365	5,023	896	55,106
Disposals	-	(11,545)	(26,721)	(8,290)	(3,284)	(1,576)	(30,747)	-	(82,163)
Reclassification*	-	270	24,669	-	-	-	331	(55,541)	(30,271)
Effects of foreign currency exchange differences		(8,158)	(16,411)	(893)	(436)	(335)	(3,474)	-	(29,707)
Balance on December 31, 2025	$ 456,595	$ 1,848,705	$ 1,918,883	$ 31,833	$ 34,446	$ 17,769	$ 185,291	$ 1,025	$ 4,494,547
Accumulated depreciation									
Balance on January 1, 2025	$ -	$ 353,725	$ 884,892	$ 36,751	$ 29,286	$ 15,454	$ 141,422	$ -	$ 1,461,530
Disposals	-	(11,545)	(23,364)	(8,205)	(3,167)	(1,559)	(30,691)	-	(78,531)
Depreciation	-	60,916	152,417	1,038	1,876	1,474	14,060	-	231,781
Impairment losses recognized	-	-	79,471	-	-	-	-	-	79,471
Effects of foreign currency exchange differences	-	(4,981)	(13,049)	(894)	(430)	(300)	(3,095)	-	(22,749)
Balance on December 31, 2025	$ -	$ 398,115	$ 1,080,367	$ 28,690	$ 27,565	$ 15,069	$ 121,696	$ -	$ 1,671,502
Carrying amount on December 31, 2025	$ 456,595	$ 1,450,590	$ 838,516	$ 3,143	$ 6,881	$ 2,700	$ 63,595	$ 1,025	$ 2,823,045
Cost									
Balance on January 1, 2024	$ 456,595	$ 1,773,496	$ 1,780,150	$ 36,790	$ 37,758	$ 19,060	$ 231,881	$ 104,167	$ 4,439,897
Additions	-	29,889	27,180	1,887	1,190	1,114	5,139	48,288	114,687
Disposals	-	(1,670)	(10,236)	(747)	(2,995)	(1,035)	(30,859)	(5,810)	(53,352)
Reclassification*	-	39,877	56,026	-	-	-	65	(90,975)	4,993
Disposal of subsidiaries (Note 32)	-	-	-	-	-	(534)	(245)	-	(779)
Effects of foreign currency exchange differences	-	20,148	43,934	1,927	1,240	710	8,177	-	76,136
Balance on December 31, 2024	$ 456,595	$ 1,861,740	$ 1,897,054	$ 39,857	$ 37,193	$ 19,315	$ 214,158	$ 55,670	$ 4,581,582

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Accumulated depreciation									
Balance on January 1, 2024	$ -	$ 283,134	$ 696,290	$ 34,194	$ 28,718	$ 14,466	$ 136,484	$ -	$ 1,193,286
Disposals	-	(1,670)	(8,269)	(571)	(2,995)	(1,011)	(30,859)	-	(45,375)
Depreciation	-	59,674	164,167	1,340	2,371	1,704	29,289	-	258,545
Disposal of subsidiaries (Note 32)	-	-	-	-	-	(351)	(224)	-	(575)
Effects of foreign currency exchange differences	-	12,587	32,704	1,788	1,192	646	6,732	-	55,649
Balance on December 31, 2024	$ -	$ 353,725	$ 884,892	$ 36,751	$ 29,286	$ 15,454	$ 141,422	$ -	$ 1,461,530
Carrying amount on December 31, 2024	$ 456,595	$ 1,508,015	$ 1,012,162	$ 3,106	$ 7,907	$ 3,861	$ 72,736	$ 55,670	$ 3,120,052

(Concluded)

* Transferred from construction in progress, equipment pending inspection, or other non-current assets - prepayments for equipment to the appropriate categories under property, plant and equipment; certain amounts of construction in progress and equipment pending inspection were reclassified to other current assets.

The Group assessed that there was no impairment of property, plant, and equipment in 2024. However, considering that certain machinery and equipment of its subsidiary, M.J. International Flooring And Interior Products Inc., were idle due to poor sales performance in 2025, an impairment loss of $79,471 thousand was recognized. This impairment loss was included under other gains and losses in the consolidated statement of comprehensive income.

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

Buildings	
Main buildings	15-55 years
Others	3-15 years
Machinery and equipment	2-20 years
Tooling equipment	5-8 years
Transportation equipment	2.5-10 years
Office equipment	3-10 years
Other equipment	2-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 36.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Land*	$ 117,388	$ 123,844
Buildings	-	-
	$ 117,388	$ 123,844

(Continued)

	December 31	
	2025	2024
Disposal to right-of-use assets (Note 32)	$ -	$ (35,675)
Depreciation charge for right-of-use assets		
Land	$ 3,938	$ 4,067
Buildings	-	1,264
	$ 3,938	$ 5,331

(Concluded)

* As for the land use rights in China, the group has already obtained the State-owned Land Use Rights.

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

b. Material lease-in activities and terms

The Group recognized right-of-use assets related to land use rights in China. These land use rights typically have lease terms ranging from 30 to 50 years, and the Group has obtained the corresponding State-owned Land Use Certificates issued by the Chinese government.

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses for short-term leases	$ 6,622	$ 6,636
Expenses for low-value asset leases	$ 982	$ 555
Total cash outflow for leases	$ (7,604)	$ (8,565)

17. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance on January 1, 2025	$ 422,420
Effects of foreign currency exchange differences	(8,263)
Balance on December 31, 2025	$ 414,157

(Continued)

	Buildings
Accumulated depreciation	
Balance on January 1, 2025	$ 110,278
Depreciation expense	11,115
Effects of foreign currency exchange differences	(1,884)
Balance on December 31, 2025	$ 119,509
Carrying amount on December 31, 2025	$ 294,648
Cost	
Balance on January 1, 2024	$ 425,292
Reclassified to be sold (Note 13)	(25,005)
Effects of foreign currency exchange differences	22,133
Balance on December 31, 2024	$ 422,420
Accumulated depreciation	
Balance on January 1, 2024	$ 103,806
Depreciation expense	12,075
Reclassified to be sold (Note 13)	(11,141)
Effects of foreign currency exchange differences	5,538
Balance on December 31, 2024	$ 110,278
Carrying amount on December 31, 2024	$ 312,142

(Concluded)

a. The lease term for investment properties ranges 2 to 6 years. The Group does not have purchase options to acquire the investment properties at the end of the lease terms.

b. The maturity analysis of lease payments receivable under the operating lease of investment property was as follows:

	December 31	
	2025	2024
Year 1	$ 4,012	$ 6,697
Year 2	3,359	3,859
Year 3	282	3,180
Year 4	282	-
Year 5	282	
Over year 5	446	-
	$ 8,663	$ 13,736

c. The above items of investment properties leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20-35 years

d. The fair value of the self-owned investment properties was not appraised by independent valuers but has been measured by the management of the merged company using valuation models commonly adopted by market participants, based on Level 3 inputs. The valuation was derived with reference to market evidence, including transaction prices of comparable properties. The resulting fair values were as follows:

	December 31	
	2025	**2024**
Fair value	$ 328,634	$ 355,887

e. No significant impairment was identified during the years ended December 31, 2025 and 2024.

18. GOODWILL

	For the Year Ended December 31, 2024
Cost	
Balance on January 1	$ 9,008
Disposal of subsidiaries (Note 32)	(9,633)
Effects of foreign currency exchange differences	625
Balance on December 31	$ -
Accumulated impairment losses	
Balance on January 1	$ 9,008
Disposal of subsidiaries (Note 32)	(9,633)
Effects of foreign currency exchange differences	625
Balance on December 31	$ -
Carrying amounts on December 31	$ -

In October 2019, the Group acquired its former subsidiary, Green Touch Floors Inc. Goodwill was recognized as the consideration transferred consideration exceeded the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The above goodwill was derecognized upon the disposal of the subsidiary Green Touch Floors Inc. on August 1, 2024.

19. OTHER INTANGIBLE ASSETS

	Computer Software	Customer Relationships	Total
Cost			
Balance on January 1, 2025	$ 5,473	$ -	$ 5,473
Additions	973	-	973
Disposal	(2,699)	-	(2,699)
Effects of foreign currency exchange differences	(69)	-	(69)
Balance on December 31, 2025	$ 3,678	$ -	$ 3,678
Accumulated amortization			
Balance on January 1, 2025	$ 3,148	$ -	$ 3,148
Amortization expenses	1,487	-	1,487
Disposal	(2,699)	-	(2,699)
Effects of foreign currency exchange differences	(7)	-	(7)
Balance on December 31, 2025	$ 1,929	$ -	$ 1,929
Carrying amounts on December 31, 2025	$ 1,749	$ -	$ 1,749
Cost			
Balance on January 1, 2024	$ 4,015	$ 41,007	$ 45,022
Additions	1,412	-	1,412
Disposal of subsidiaries (Note 32)	-	(43,852)	(43,852)
Effects of foreign currency exchange differences	46	2,845	2,891
Balance on December 31, 2024	$ 5,473	$ -	$ 5,473
Accumulated amortization			
Balance on January 1, 2024	$ 1,811	$ 41,007	$ 42,818
Amortization expenses	1,328	-	1,328
Disposal of subsidiaries (Note 32)	-	(43,852)	(43,852)
Effects of foreign currency exchange differences	9	2,845	2,854
Balance on December 31, 2024	$ 3,148	$ -	$ 3,148
Carrying amounts on December 31, 2024	$ 2,325	$ -	$ 2,325

The customer relationships of the group arose from the acquisition of its former subsidiary, Green Touch Floors Inc., in 2019. The above customer relationships were derecognized upon the disposal of subsidiary Green Touch Floors Inc. on August 1, 2024.

The Group did not have significant impairment of other intangible assets during the years ended December 31, 2025 and 2024.

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

Computer software	3-5 years

Amortization expenses summarized by function

	For the Year Ended December 31	
	2025	**2024**
Operating costs	$ 105	$ 85
Selling and marketing expenses	50	29
General and administrative expenses	1,332	1,214
Research and development expenses	-	-
	$ 1,487	$ 1,328

20. OTHER ASSETS

	December 31	
	2025	**2024**
Current		
Offsetting against business tax payables	$ 37,169	$ 46,706
Prepayments	1,402	925
Others	31,627	21,440
	$ 70,198	$ 69,071
Non-current		
Refundable deposits	$ 2,758	$ 2,986

21. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	**2024**
Unsecured borrowings		
Line of credit borrowings	$ 420,706	$ 160,000

* The interest rates for short-term bank loans were 2.05%-2.85% and 2.07%-2.11% per annum as of December 31, 2025 and 2024, respectively.

b. Long-term borrowings

	December 31	
	2025	2024
Secured borrowings (Note 36)		
Bank loans (1)	$ 286,738	$ 311,504
Bank loans (2)	1,384,767	1,460,000
Bank loans (3)	350,000	350,000
Less: Government loan discount (Note 31)	(29,732)	(45,311)
Long-term borrowings	1,991,773	2,076,193
Unsecured borrowings		
Bank loans (4)	114,286	152,381
Bank loans (5)	40,638	40,900
Less: Government loan discount (Note 31)	(2,286)	(4,028)
	152,638	189,253
Less: Current portion	(265,499)	(38,357)
	$ 1,878,912	$ 2,227,089

1) On June 4, 2020, the Group obtained a new bank loan of NT$353,600 thousand with a floating interest rate of 2.18%. The original loan term was 10 years starting from the drawdown date, with a grace period of three years (from June 2020 to May 2023). In April 2024, the Group entered into an extension agreement, extending the loan term by an additional two years. Following the extension, the total loan period was revised to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). Upon expiration of the grace period, the principal is to be repaid in 84 equal monthly installments. The loan is secured by land owned by the Group. Refer to Note 36.

2) The Group obtained a government preferential loan under the "Program to Encourage Taiwanese Businesses to Return to Invest in Taiwan," administered by the National Development Fund Management Committee of the Republic of China. The loan was used for the construction of factory buildings and the acquisition of machinery and equipment. For further details, Refer to Note 31. The loan disbursement is secured by the Group's property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 36. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 7 to 10 years, including grace periods of 1 to 3 years (from July 2020 to May 2023 and from December 2022 to November 2023). In April 2024, the Group extended certain loan agreements, prolonging the loan term by 2 years. After the extension, the loan term ranges from 7 to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

3) The Group obtained a secured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 31. The loan disbursement is secured by the Group's property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 36. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 6 to 7 years, including grace periods of 2 to 3 years (from June 2022 to May 2025 and from October 2023 to May 2025). In April 2024, the Group extended the loan agreement, prolonging the grace period by an additional 2 years. After the extension, the grace periods were revised to 4 to 5 years (from June 2022 to May 2027 and from October 2023 to May 2027). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

4) The Group obtained an unsecured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 31. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 3 to 5 years, including grace periods of 1 to 2 years (from January 2022 to December 2023 and from January 2023 to December 2023). In May 2024, the Group extended the loan agreement, prolonging the loan term by an additional 2 years. After the extension, the loan term was revised to 5 to 7 years. Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

5) On November 20, 2023, the Group obtained a new unsecured bank loan amounting to NT$40,900 thousand, with a floating interest rate of 2.11%. The loan term is 15 years starting from the drawdown date, including a grace period of 2 years (from December 2023 to November 2025). Upon expiration of the grace period, the principal is to be repaid in 156 equal monthly installments.

22. BONDS PAYABLE

	December 31	
	2025	2024
Unsecured domestic convertible bonds	$ 24,868	$ 297,863
Less: Current portion	(24,868)	-
	$ -	$ 297,863

Unsecured Domestic Convertible Bonds - II

On July 26, 2023, the Company issued 5 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an issue price of 101% of par value. The total principal amount was NT$500,000 thousand. The bonds have a term of three years, maturing on July 26, 2026.

Based on Article 5 of the Regulations, since the coupon rate of the convertible bonds is 0%, no interest payment dates or methods are specified. Unless the bondholders convert the bonds into the Company's common shares pursuant to Article 13 of the Regulations and exercise the put option under Article 22, the Company redeems the bonds early under Article 21, or, if the bonds are repurchased and cancelled by the Company through securities firms, the Company shall repay the principal in full in cash within 10 business days following the maturity date of the convertible bonds. If the maturity date falls on a day that the Taipei Exchange declares a nonworking day or a holiday, the repayment date shall be postponed to the next business day.

Starting from the day (i.e., October 27, 2023) following the three-month period after the issuance date of the convertible bonds until the maturity date (i.e., July 26, 2026), bondholders may request conversion of the bonds into the Company's common shares at any time through securities brokers, who will notify the Taiwan Depository & Clearing Corporation (TDCC), and submit the conversion request to the Company's stock transfer agent, except during the following periods:

a. The statutory book closure period for common shares;

b. The period beginning 15 business days before the book closure date for stock dividends, cash dividends, or cash capital increases, and ending on the record date;

c. The period from the capital reduction record date to the day before the new shares begin trading;

d. The period from the start date of suspension of conversion due to change in par value to the day before the new shares begin trading.

The conversion price was determined based on July 18, 2023, the pricing reference date. The reference price was calculated using the simple arithmetic average of the closing prices of the Company's common shares on either the trading day immediately preceding the reference date, the three trading days preceding the reference date, or the five trading days preceding the reference date, whichever is higher. The conversion premium rate of 106% was then applied to the reference price to determine the conversion price, rounded to the nearest tenth of a New Taiwan dollar. If any ex-rights or ex-dividend events occurred prior to the reference date, the sampled closing prices used in the calculation were adjusted accordingly. If any such events occurred between the determination date and the actual issuance date, the conversion price was adjusted using the prescribed formula. Based on the above method, the initial conversion price was set at NT$52.8 per share. Due to the distribution of cash dividends, the conversion price was adjusted to NT$51 per share effective September 8, 2023; further adjusted to NT$50.7 per share effective August 16, 2024; and adjusted again to NT$50.4 per share effective March 21, 2025, due to the issuance of new shares through cash capital increase; adjusted to NT$48.2 per share effective August 15, 2025, due to the distribution of cash dividends.

The convertible bonds contain both asset, liability, and equity components. The asset component is recognized as a financial asset measured at fair value through profit or loss. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.34% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,590 thousand)	$ 499,410
Put/call option component at the date of issue	(3,461)
Equity component	(29,866)
Liability component at the date of issue	466,083
Interest charged at an effective interest rate of 2.34%	4,748
Liability component on January 1, 2024	470,831
Interest charged at an effective interest rate of 2.34% - for the year ended December 31, 2024	9,656
Convertible bonds converted into ordinary shares	(182,624)
Liability component on December 31, 2024	$ 297,863
Liability component on January 1, 2025	$ 297,863
Interest charged at an effective interest rate of 2.34% - for the year ended December 31, 2025	3,655
Redeemed convertible bonds	(276,650)
Liability component on December 31, 2025	$ 24,868

In 2024, the bonds whose conversion rights had been exercised had a par value of NT$191,300 thousand, and the converted ordinary share capital was NT$37,666 thousand. In addition, the capital surplus - convertible bond share options decreased by NT$11,426 thousand, the discount on bonds payable decreased by NT$8,676 thousand, the financial liabilities at fair value through profit or loss decreased by NT$122 thousand, and the capital surplus - convertible premium on bonds increased by NT$156,506 thousand.

According to the issuance regulations, the bonds have a put option with the put date set as July 26, 2025. The redemption amount is 101.0025% of the bond's par value. As of December 31, 2025, bonds with a par value of NT$283,500 thousand have exercised the put option and are therefore recorded as bonds payable for redemption. In addition, due to the exercise of the put option, the discount on bonds payable decreased by NT$6,850 thousand, financial liabilities measured at fair value through profit or loss decreased by NT$5,133 thousand, and a loss on redemption of bonds payable of NT$4,559 thousand was recognized.

23. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Salaries or bonuses (including compensation of employees and remuneration of directors)	$ 70,803	$ 85,472
Pension and insurance	49,207	44,190
Purchases of equipment (Note 33)	26,435	43,327
Royalties	23,973	21,458
Utilities	18,829	21,214
Maintenance	16,846	19,523
Professional service fees	7,080	12,075
Freight	4,753	6,526
Taxes	3,775	2,289
Work-related injury	2,037	-
Fuel	1,311	6,130
Damages	-	18,073
Others	27,592	32,338
	$ 252,641	$ 312,615
Non-current		
Deferred revenue		
Arising from government grants (Note 31)	$ 113,703	$ 118,977
Others*	77,672	82,174
	$ 191,375	$ 201,151

* The refund of land use fees previously paid in prior years was received from Jizhou Shareholding Economic Cooperative of Shijie Town, Dongguan City. The refunded amount is amortized over the remaining land use right period of 32 years and recognized as other income in the consolidated financial statements.

24. PROVISIONS

	December 31	
	2025	2024
Current		
Warranty	$ 33,616	$ 28,848

	Warranty
Balance on January 1, 2025	$ 28,848
Additions	11,203
Utilization	(5,284)
Effects of foreign currency exchange differences	(1,151)
Balance on December 31, 2025	$ 33,616
Balance on January 1, 2024	$ 17,844
Additions	29,874
Utilization	(20,279)
Effects of foreign currency exchange differences	1,409
Balance on December 31, 2024	$ 28,848

The warranty provision is the present value of the best estimate by the Group's management of future outflows of economic benefits arising from warranty obligations. This estimate is based on historical warranty experience and is adjusted for changes in raw materials, manufacturing processes, or other events that may affect product quality.

25. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands of shares)	150,000	150,000
Amount of shares authorized, par value NT$10 (in thousands of NTD)	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands of shares)	79,825	69,825
Amount of shares issued and fully paid (in thousands of NTD)	$ 798,256	$ 698,256

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

On August 22, 2024, the Company's board of directors resolved to issue 10,000 thousand ordinary shares with a par value of NT$10, for a consideration of NT$38.7 per share which increased the share capital issued and fully paid to $798,256 thousand. On January 17, 2025, this share issuance was approved by the Financial Supervisory Commission, and the subscription base date was determined by the board of directors to be March 21, 2025.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 1,421,191	$ 1,212,591
Conversion of bonds	156,506	156,506
Employee stock dividend - shares		
Share premium	9,599	9,599
May be used only to offset a deficit (2)		
Employee compensation expense - shares		
Share premium	7,841	7,265
May not be used for any purpose		
Share warrants (Note 22)	1,505	18,440
	$ 1,596,642	$ 1,404,401

1) This capital surplus may be used only to offset a deficit; in addition, when the Company has no deficit, capital surplus may be distributed as cash dividends or transferred to share capital (this distribution is limited to a certain percentage of the Company's capital surplus and to once a year).

2) This capital surplus does not involve any cash inflow, and it may only be used to offset accumulated deficits.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, on the earnings distribution policy, during the period in which the Company is listed, if the annual financial statements indicate earnings, the Company shall first pay taxes in accordance with the law and offset accumulated deficits. Thereafter, 10% of the amount comprising the current year's net income after tax and any undistributed earnings shall be appropriated as legal reserve. However, if the legal reserve has equaled the Company's paid-in capital, further appropriation may be waived. The remaining earnings shall be appropriated or reversed as special reserve in accordance with applicable laws and regulations. If there is any remaining balance, the board of directors may, by special resolution, determine the amount of distributable earnings for the year, and the Company may, taking into account financial, operational, and managerial factors, distribute no less than 10% of such earnings plus all or part of the undistributed earnings from prior years as dividends to shareholders in proportion to their shareholding, subject to approval at the shareholders' meeting. Dividends may be distributed in the form of cash or stock, with cash dividends accounting for no less than 10% of the total dividends distributed for the year. Furthermore, the dividends to be distributed to shareholders may, upon special resolution of the shareholders' meeting, be distributed wholly or partially in the form of new shares.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment to the Company Law of the Republic of China, refer to compensation of employees and remuneration of directors and supervisors in Note 27-h.

In accordance with the Financial Supervisory Commission's ruling No. 1090150022 and the "Q&A on the Application of Special Reserve under IFRSs," the Company has appropriated and reversed from a special reserves.

The appropriations from the earnings for 2024 and 2023, which were approved in the shareholders' meetings on June 25, 2025 and June 25, 2024, respectively, were as were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	$ 13,518	$ -
Special reserve	$ (120,099)	$ 15,792
Cash dividends	$ -	$ 19,704
Cash dividends per share (NT$)	$ -	$ 0.3

On March 12, 2025, the board of directors proposed a cash dividend distribution of NT$95,335 thousand from the capital surplus - share premium, which was approved at the shareholders' meeting on June 25, 2025.

The appropriation of earnings for 2025, which were proposed by the board of directors on March 11, 2026, were as follows:

	Appropriation of Earnings For the Year Ended December 31, 2025
Special reserve	$ 59,354
Cash dividends	$ -
Cash dividends per share (NT$)	$ -

On March 11, 2026, the board of directors proposed a cash dividend distribution of NT$23,834 thousand from the capital surplus - share premium

The above appropriations of earnings has been resolved by the board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 23, 2026.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 23,735	$ (111,945)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	(83,067)	135,680
Other comprehensive income recognized for the period	(83,067)	135,680
Balance on December 31	$ (59,332)	$ 23,735

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (5,484)	$ (8,154)
Recognized for the period		
Unrealized gain - debt instruments	1,355	2,709
Net remeasurement of loss allowance	4,107	(39)
Other comprehensive income recognized for the period	5,462	2,670
Balance on December 31	$ (22)	$ (5,484)

e. Non-controlling interests

	For the Year Ended December 31, 2024
Balance on January 1	$ 2,959
Share in loss for the period	(3,042)
Other comprehensive income during the period	
Exchange differences on translation of the financial statements of foreign entities	44
	(2,998)
Partial disposal of interests in subsidiaries	39
Balance on December 31	$ -

f. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)
Number of shares on January 1, 2025	380
Increase during the period	-
Number of shares on December 31, 2025	380
Number of shares on January 1, 2024	380
Increase during the period	-
Number of shares on December 31, 2024	380

To boost employee morale and enhance organizational cohesion, the Company has established the "Regulations Governing the Repurchase and Transfer of Shares to Employees" in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" promulgated by the Financial Supervisory Commission. The repurchase of shares for the purpose of transferring them to employees shall be handled in accordance with these Regulations, except as otherwise provided by law.

As of December 31, 2025 and 2024, the Company had repurchased 380 thousand shares for transfer to employees under the treasury stock program, with a total repurchase amount of NT$21,450 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

26. REVENUE

a. Contract description - revenue from sale of goods

The group manufactures and sells plastic flooring tile products. Due to the rapid introduction of new products and high price volatility in the market, a small portion of the products is sold with estimated discounts based on historical discount ranges using an expected value approach. The remaining products are sold at fixed prices as specified in the contracts.

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivables (including those from related parties) (Notes 11 and 35)	$ 1,298	$ 856	$ 2,389
Trade receivables (including those from related parties) (Notes 11 and 35)	$ 827,661	$ 1,215,111	$ 655,112
Contract liabilities			
Sale of goods	$ 6,723	$ 8,651	$ 31,979

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2025	2024
From contract liabilities at the start of the year		
Sale of goods	$ 5,241	$ 17,213

c. Contract balances

Refer to Note 41 for information on the disaggregation of revenue.

27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 39,860	$ 30,293
Financial assets at FVTPL	-	566
Investments in debt instruments at FVTOCI	6,804	7,163
	$ 46,664	$ 38,022

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income		
Investment properties	$ 6,843	$ 7,208
Government grants	8,239	8,628
	$ 15,082	$ 15,836

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Impairment of property, plant, and equipment	$ (79,471)	$ -
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	1,171	1,179
Financial liabilities held for trading	(3,373)	718
Loss compensation	-	(18,073)
Loss on redemption of bonds payable	(4,559)	-
Loss on disposal of property, plant and equipment	(1,842)	(6,201)
Gain on disposal of subsidiaries (Note 32)	-	8,792
Gain on disposal of non-current assets held for sale	13,366	-
Net foreign exchange gains (i)	(16,294)	46,381
Others	12,168	14,143
	$ (78,834)	$ 46,939

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 52,625	$ 50,018
Interest on convertible bonds (Note 22)	3,655	9,656
	$ 56,280	$ 59,674

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of deprecation by function		
Operating costs	$ 216,573	$ 231,461
Operating expenses	30,261	43,226
	$ 246,834	$ 274,687
An analysis of amortization by function		
Operating costs	$ 105	$ 85
Operating expenses	1,382	1,243
	$ 1,487	$ 1,328

Information on the allocation of amortization expenses of intangible assets to each individual line item. Refer to Note 19.

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2025	2024
Direct operating expenses of investment properties generating rental income and not generating rental income		
Depreciation expense	$ 11,115	$ 12,075
Other expense	1,169	1,574
	$ 12,284	$ 13,649

g. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	$ 29,291	$ 28,520
Share-based payments		
Equity-settled (Note 30)	576	-
Other employee benefits	524,349	532,743
Total employee benefits expense	$ 554,216	$ 561,263
An analysis of employee benefits expense by function		
Operating costs	$ 381,787	$ 386,202
Operating expenses	172,429	175,061
	$ 554,216	$ 561,263

* M. J. Taiwan and Opulent Taiwan Branch of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiary in Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

h. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates of 1% to 6%, and not higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Due to loss before income tax for the year ended December 31, 2025, the Company did not accrue compensation of employees and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2024, which were approved by the board of directors on March 12, 2025 were as follows:

Accrual rate

	For the Year Ended December 31, 2024
Compensation of employees	5.96%
Remuneration of directors	4.96%

Amount

	For the Year Ended December 31, 2024
	Cash
Compensation of employees	$ 9,045
Remuneration of directors	7,535

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2024.Due to loss before income tax for the year ended December 31, 2023, the Company did not accrue compensation of employees and remuneration of directors.

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

i. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 153,763	$ 119,384
Foreign exchange losses	(170,057)	(73,003)
Net gain	$ (16,294)	$ 46,381

28. INCOME TAXES ON CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
Current period	$ 70,294	$ 103,188
Prior period adjustments	(6,496)	(2,636)
	63,798	100,552
Deferred tax		
Current period	(2,150)	(1,584)
Income tax expense recognized in profit or loss	$ 61,648	$ 98,968

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

	For the Year Ended December 31	
	2025	2024
(Loss) profit before tax from continuing operations	$ (677)	$ 238,716
(Loss) income tax expense calculated at the statutory rate	$ (3,577)	$ 52,568
Nondeductible expenses in determining taxable income	2,524	1,827
Tax-exempt income	(5,050)	-
Unrecognized Loss carryforward tax credits/deductible temporary differences	74,247	47,209
Adjustments for prior years' tax	(6,496)	(2,636)
Income tax expense recognized in profit or loss	$ 61,648	$ 98,968

The applicable tax rate for subsidiaries in China, except Dongguan MeiJer Plastic Products Co., Ltd., is 25%. Tax amounts generated in other jurisdictions are calculated based on the applicable tax rates of those jurisdictions.

Dongguan MeiJer Plastic Products Co., Ltd. is using a preferential tax rate because it has obtained certification as a high-tech enterprise in accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementing regulations. The preferential tax rate is applicable until 2025.In addition, Dongguan MeiJer Plastic Products Co., Ltd. has obtained certification as a high-tech enterprise in 2025. The preferential tax rate is applicable until 2028. Certified high-tech enterprises that meet these regulations and related tax provisions are entitled to a reduced tax rate of 15%.

b. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	$ 2,976	$ 176
Current tax liabilities		
Income tax payable	$ 13,022	$ 62,153

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2025

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Inventory obsolescence and valuation loss	$ 2,957	$ 690	$ (41)	$ 3,606
Unrealized loss on exchange	-	302	3	305
Provisions	5,770	1,032	(230)	6,572
Refund liabilities	-	44	-	44
	$ 8,727	$ 2,068	$ (268)	$ 10,527

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Unrealized gain on exchange	$ 86	$ (82)	$ (4)	$ -
Others	7,853	-	(153)	7,700
	$ 7,939	$ (82)	$ (157)	$ 7,700

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Disposal of Subsidiaries	Exchange Differences	Closing Balance
Temporary differences					
Inventory obsolescence and valuation loss	$ 3,728	$ (954)	$ -	$ 183	$ 2,957
Unrealized loss on exchange	84	(84)	-	-	-
Provisions	3,569	1,919	-	282	5,770
Refund liabilities	71	(74)	-	3	-
Lease liabilities	9,573	(335)	(9,454)	216	-
	$ 17,025	$ 472	$ (9,454)	$ 684	$ 8,727

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Disposal of Subsidiaries	Exchange Differences	Closing Balance
Temporary differences					
Unrealized gain on exchange	$ 823	$ (777)	$ -	$ 40	$ 86
Right-of-use assets	9,573	(355)	(9,454)	216	-
Others	7,465	-	-	388	7,853
	$ 17,861	$ (1,112)	$ (9,454)	$ 644	$ 7,939

d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2025	2024
Loss carryforwards		
Expiry in 2026	$ -	$ 9,401
Expiry in 2031	8,091	8,091
Expiry in 2032	93,132	100,713
Expiry in 2033	208,266	208,266
Expiry in 2034	269,804	276,631
Expiry in 2035	334,472	-
	$ 913,765	$ 603,102
Deductible temporary differences		
Inventory write-downs	$ 18,231	$ 15,337
Unrealized impairment loss on assets	79,471	-
	$ 97,702	$ 15,337

e. Income tax assessments

As of December 31, 2025, the Group had no outstanding tax litigation cases.

The income tax returns through 2023 had been assessed by the tax authorities for the Company's subsidiaries - M.J. International Flooring and Interior Products Inc. and Opulent International Group Limited Taiwan Branch.

29. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic (loss) earnings per share		
From continuing operations	$ (0.81)	$ 2.08
From discontinued operations	-	(0.06)
Total basic (loss) earnings per share	$ (0.81)	$ 2.02

(Continued)

	For the Year Ended December 31	
	2025	2024
Diluted (loss) earnings per share		
From continuing operations	$ (0.81)	$ 2.03
From discontinued operations	-	(0.06)
Total diluted (loss) earnings per share	$ (0.81)	$ 1.97

(Concluded)

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

Net (Loss) Profit for the Period

	For the Year Ended December 31	
	2025	2024
(Loss) profit for the period attributable to owners of the Company	$ (62,325)	$ 135,185
Earnings used in the computing basic (loss) earnings per share	$ (62,325)	$ 135,185
Effects of potentially dilutive ordinary shares:		
Convertible bonds	-	8,938
Earnings used in computing diluted (loss) earnings per share	$ (62,325)	$ 144,123

Shares

Unit: Thousand Shares

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares in computing basic (loss) earnings per share	77,281	67,068
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	221
Convertible bonds	-	6,053
Weighted average number of ordinary shares used in computing diluted earnings (loss) per share	77,281	73,342

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in computing diluted earnings per share, as the effect is dilutive. The dilutive effect of the potential shares is included in computing diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. The Group net loss after tax for 2025, they are anti-dilutive and excluded from the computation of diluted earnings per share.

30. SHARE-BASED PAYMENT ARRANGEMENTS

Cash Capital Increase with A Portion Reserved for Employee Subscription

Following Article 267, Paragraph 1 of the amended Company Act, the Company reserved a portion of the shares for employee subscription under its cash capital increase plan in 2025. The Company recognized a compensation cost of NT$576 thousand for the employee stock subscription rights using the Black-Scholes valuation model. The inputs used in the valuation model were as follows:

	Granted on February 24, 2025
Grant-date share price	$41.30
Exercise price	$38.70
Expected volatility	32.60%
Expected life (in years)	18 days
Risk-free interest rate	1.32%

31. GOVERNMENT GRANTS

In addition to those disclosed in other notes, the government grants obtained by the Group were as follows:

The Group obtained a government-subsidized loan with preferential interest rates under the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" provided by the National Development Fund Management Committee of the Republic of China. As of December 31, 2025 and 2024, the principal amount drawn was NT$1,384,767 thousand and NT$1,460,000 thousand, respectively. The loan was used for constructing factory buildings and acquiring machinery and equipment, and is repayable in installments over a period of 7 to 10 years from the initial drawdown date (including a grace period of 1 to 3 years).

As of December 31, 2025 and 2024, the Group had also drawn down principal amounts of NT$464,286 thousand and NT$502,381 thousand, respectively, for the purchase of machinery, equipment, and raw materials. These loans are repayable in installments over 3 to 7 years from the initial drawdown date (including a grace period of 1 to 3 years).

The fair value of the loans at the time of drawdown was estimated using the prevailing market interest rates of 1.45% to 1.65%. Considering the subsequent rise in market interest rates, the Group revised the discount rate for fair value estimation to 2.84% to 3.09%, starting from July 1, 2022, in April and May 2024, due to the extension of the loan period, the fair value of the loan was adjusted. Refer to Note 21. The difference between the loan proceeds and the fair value was recognized as deferred income. This deferred income is amortized and recognized as other income over the useful lives of the assets, beginning upon the completion of the factory construction and acceptance of the machinery and equipment.

As of December 31, 2025 and 2024, the unamortized deferred incomes - non-current was NT$113,703 thousand and NT$118,977 thousand, respectively.

If the Group fails to comply with the requirements under the project loan guidelines during the loan period, the disbursement of the handling fee subsidy by the National Development Fund Management Committee will be suspended or terminated, and the Group shall instead pay interest at the originally agreed rate plus an additional annual rate.

32. DISPOSITION OF SUBSIDIARIES

The Group entered into an agreement on August 1, 2024, to dispose of Green Touch Floors Inc., which is engaged in the sale of engineered wood flooring, vinyl tiles, decorative materials, and construction materials.

a. Consideration received from disposals

	Green Touch Floors Inc.
Consideration received in cash	$ 9,851

b. Analysis of assets and liabilities on the date control was lost

	Green Touch Floors Inc.
Current assets	
Cash and cash equivalents	$ 199
Trade receivables	2,289
Other receivables	302
Inventories	28,087
Prepayments	14
Other current assets	30
Non-current assets	
Property, plant and equipment	204
Right-of-use assets	35,675
Deferred tax assets	9,454
Other non-current assets	474
Current liabilities	
Short-term borrowings	(15,256)
Contract liabilities - current	(2,296)
Trade payables	(2,443)
Other payables	(4,684)
Other payables - related parties	(6,597)
Lease liabilities - current	(6,728)
Non-current liabilities	
Deferred tax liabilities	(9,454)
Lease liabilities - non-current	(29,338)
Other non-current liabilities	(32)
Net assets disposed of	$ (100)
Equity attributable to owners of the Company	$ (61)
Non-controlling interests	(39)
	$ (100)

c. Gain on disposal of subsidiaries

	Green Touch Floors Inc.
Consideration received	$ 9,851
Disposed of equity attributable to owners of the Company	61
Exchange differences on translation of the financial statements of foreign operations	(898)
Effects of foreign currency exchange differences	(222)
Gain on disposals	$ 8,792

d. Net cash inflow on disposals of subsidiaries

	Green Touch Floors Inc.
Consideration received in cash and cash equivalents	$ 9,851
Less: Disposed of cash and cash equivalent balances	(199)
	$ 9,652

33. CASH INFORMATION

a. Non-cash transaction

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

As of December 31, 2025 and 2024, the Group had unpaid purchase prices for property, plant, and equipment amounting to NT$26,435 thousand and NT$43,327 thousand, respectively, which were recorded under other payables.

b. Changes in liabilities from financing activities

For the year ended December 31, 2025

			Non-cash Changes				
	Opening Balance	Cash Flows	Finance Costs	Loss on Redemption of Bonds Payables	Exchange Differences	Others	Closing Balance
Short-term borrowings	$ 160,000	$ 260,706	$ -	$ -	$ -	$ -	$ 420,706
Bonds payable	297,863	(286,342)	3,655	4,559	-	5,133	24,868
Long-term borrowings	2,265,446	(138,356)	17,321	-	-	-	2,144,411
Guarantee deposits received	902	20	-	-	(14)	-	908
	$ 2,724,211	$(163,972)	$ 20,976	$ 4,559	$ (14)	$ 5,133	$ 2,590,893

For the year ended December 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes Finance Costs	Disposal of Subsidiaries	New Leases	Fair Value Adjustment - Deferred Revenue	Conversion Bonds Payables	Exchange Differences	Others	Closing Balance
Short-term borrowings	$ 44,057	$ 130,000	$ -	$ (15,256)	$ -	$ -	$ -	$ 1,199	$ -	$ 160,000
Lease liability	36,321	(1,074)	300	(36,066)	-	-	-	819	(300)	-
Bonds payable	470,831	-	9,656	-	-	-	(182,624)	-	-	297,863
Long-term borrowings	2,341,165	(117,677)	17,706	-	-	24,252	-	-	-	2,265,446
Other payables-related parties	6,397	-	-	(6,597)	-	-	-	200	-	-
Guarantee deposits received	938	(77)	-	-	-	-	-	41	-	902
	$2,899,709	$ 11,172	$ 27,662	$ (57,919)	$ -	$ 24,252	$ (182,624)	$ 2,259	$ (300)	$2,724,211

34. FINANCIAL INSTRUMENTS

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

December 31, 2025

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Convertible bonds	$ 24,868	$ 25,200	$ -	$ -	$ 25,200

December 31, 2024

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Convertible bonds	$ 297,863	$ 305,736	$ -	$ -	$ 305,736

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	$ -	$ 45,315	$ -	$ 45,315
Financial assets at FVTOCI				
Debt investments				
Foreign investments in debt instruments	$ -	$ 106,570	$ -	$ 106,570
Accounts receivable	-	-	196,659	196,659
	$ -	$ 106,570	$ 196,659	$ 303,229

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	$ -	$ 133,456	$ -	$ 133,456
Financial assets at FVTOCI				
Debt investments				
Foreign investments in debt instruments	$ -	$ 142,761	$ -	$ 142,761
Accounts receivable	-	-	173,592	173,592
	$ -	$ 142,761	$ 173,592	$ 316,353
Financial liabilities at FVTPL				
Convertible bond options	$ -	$ -	$ 1,760	$ 1,760

The Group assesses the bid-ask spread and trading volume of fixed income securities to determine whether the quotations are from an active market. Thus, the Group classified the fair value measurement of its foreign debt instrument investments as Level 2. There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTPL Sale of Debt Instrument Receivables
Balance on January 1, 2025	$ 173,592
Net change	30,002
Effect of foreign currency exchange differences	(6,935)
Balance on December 31, 2025	$ 196,659

Financial Liabilities	Financial Liabilities at FVTPL Derivatives - Convertible Bond Embedded Options
Balance on January 1, 2025	$ 1,760
Recognized in profit or loss (gain (loss) on financial assets at FVTPL)	
- unrealized	3,373
Current-period redemption of convertible bonds	(5,133)
Balance on December 31, 2025	$ -

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL Sale of Debt Instrument Receivables
Balance on January 1, 2024	$ 80,543
Net change	85,794
Effect of foreign currency exchange differences	7,255
Balance on December 31, 2024	$ 173,592

Financial Liabilities	Financial Liabilities at FVTPL
	Derivatives - Convertible Bond Embedded Options
Balance on January 1, 2024	$ 2,600
Recognized in profit or loss (gain (loss) on financial assets at FVTPL) - unrealized	(718)
Exercise of conversion rights on convertible bonds	(122)
Balance on December 31, 2024	$ 1,760

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Hybrid financial assets - structured deposits	Discounted cash flow. Future cash flows are estimated based on the contractual yield.
Investments in foreign debt instruments	The measurement is based on publicly available market quotations provided by third-party institutions.

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

Financial Instruments	Valuation Techniques and Inputs
Trade receivables factoring	Due to the immaterial impact of discounting, fair value was measured based on the original invoice amount.
Convertible bond options	The binomial tree evaluation model of convertible bonds. Convertible bond duration, share price, volatility, and conversion price as well as risk-free interest rate, discount rate, liquidity risk, and other factors were considered.

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 45,315	$ 133,456
Financial asset at amortized cost (1)	2,325,963	1,973,048

(Continued)

	December 31	
	2025	2024
Financial assets at FVTOCI		
Debt investments		
Foreign bonds investments	$ 106,570	$ 142,761
Trade receivables factoring	196,659	173,592
Financial liabilities		
FVTPL		
Held for trading	-	1,760
Amortized cost (2)	3,007,904	3,285,724

(Concluded)

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable (including those from related parties), trade receivables (including those from related parties), other receivables (excluding tax refund receivable), and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term loans, trade payables, other payables (including those from related parties; excluding salaries and bonuses, pension and insurance premiums, taxes and workers' compensation), long-term loans, current portion of long-term loans, bonds payable, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, debt investments, structured deposits, notes receivable (including those from related parties), accounts receivable (including those from related parties), refundable deposits, trade payables (including those from related parties), bank borrowings, guarantee deposits received, lease liabilities and bonds payable.

The financial risks related to operations involving the above financial instruments include market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group's finance department regularly reports to management, who monitors the risks and enforces policies in accordance with their responsibilities to mitigate risk exposure.

1) Market risk

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

a) Exchange rate risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed primarily through natural hedging of net foreign currency positions and, to a lesser extent, through the use of foreign exchange derivative instruments, all within approved policy parameters.

The carrying amounts of the Group's non-functional currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table shows the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Sensitivity analysis includes trade receivables and payables to entities outside of the Group, and trade receivables and payables to its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of each Group entity's functional currency against the relevant currency. For a 1% strengthening of each Group entity's functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact For the Year Ended December 31	
	2025	**2024**
Profit or loss	$ 7,879	$ 8,043

This was mainly attributable to the exposure on outstanding cash equivalents, accounts receivable and payable in USD, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD did not differ significantly from that of the prior period.

b) Interest rate risk

The Group was exposed to interest rates for its deposits, debt instrument investments, structured deposits, bank borrowings, lease liabilities, and bonds payable at both fixed and floating interest rates.

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

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 1,006,613	$ 220,792
Financial liabilities	445,574	457,863
Cash flow interest rate risk		
Financial assets	822,152	971,748
Financial liabilities	2,144,411	2,265,446

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 1% higher/lower and all other variables held constant, the Group's pretax profits for the years ended December 31, 2025 and 2024 would have increased/decreased by $(13,223) thousand and $(12,937) thousand, respectively, which was mainly attributable to the Group's exposure to interest rates for its bank deposits, structured deposits, debt instrument investments and bank borrowings, which bear floating interest rates.

The Group's interest rate sensitivity increased during the period, mainly due to a increase in net debt bearing floating interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated on the balance sheets.

The Group's policy is to deal only with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Thus, the Group transacts with entities that are rated the equivalent of investment grade and above. The Group also uses other publicly available financial information and its own trading records to rate its major customers. It continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To further minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits and credit approvals and carrying out other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk is significantly reduced.

The Group's credit risk is primarily concentrated in major customers whose sales individually accounted for more than 10% of the Group's total revenue. As of December 31, 2025 and 2024, the accounts receivable from these customers were 93% and 89%, respectively, of total accounts receivable.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group had available unused short-term bank loan facilities set out in (2) below.

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

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

December 31, 2025

	1 Month - Less than 3 Months	3 Months to Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 410,454	$ 6,557	$ 908	$ -
Variable interest rate liabilities	16,973	275,867	1,688,766	286,721
Fixed interest rate liabilities	421,983	25,453	-	-
	$ 849,410	$ 307,877	$ 1,689,674	$ 286,721

December 31, 2024

	1 Month - Less than 3 Months	3 Months to Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 546,875	$ 14,638	$ 902	$ -
Variable interest rate liabilities	16,117	48,867	1,751,932	621,759
Fixed interest rate liabilities	160,619	-	311,795	-
	$ 723,611	$ 63,505	$ 2,064,629	$ 621,759

b) Financing facilities

	December 31	
	2025	2024
Unsecured bank overdraft facilities:		
Amount used	$ 575,630	$ 353,281
Amount unused	777,723	953,925
	$ 1,353,353	$ 1,307,206
Secured bank overdraft facilities:		
Amount used	$ 2,021,505	$ 2,121,504
Amount unused	223,581	391,965
	$ 2,245,086	$ 2,513,469

e. Transfers of financial assets

In accordance with the terms of the factoring agreement, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Group, while losses arising from credit risk are borne by the bank. As of December 31, 2025 and 2024, the Group had provided a promissory note of US$10,000 thousand to the bank as collateral.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides the disclosures in other notes, transactions between the Group and other related parties are shown below.

a. Related party names and relationships

Related Names	Relationships
Sing Cheng Lin CO., LTD. (“Sing Cheng”)	Related party in substance
Fu Ming Lin CO., LTD. (“Fu Ming”)	Related party in substance
G. T. FLOOR CO., LTD. (G. T.)	Related party in substance
Xu Zeng	Related party in substance*
Yi Hsiu Chen	Related party in substance

* Shareholders who had significant influence over the Group’s subsidiary, Green Touch Floors Inc., ceased to be related parties of the Company as of August 1, 2024.

b. Sales of goods

Line Item	Relationship	For the Year Ended December 31 2025	2024
Sales	Related party in substance	$113,768	$120,547

The payment terms for related party receivables were 90 days from the invoice date, and the prices and other transaction terms were not significantly different from those of ordinary sales.

c. Receivables from related parties (excluding loans from related parties)

Line Item	Relationship	December 31 2025	2024
Notes receivable	Related party in substance		
	Sing Cheng	$ 6	$ 275
Trade receivables	Related party in substance		
	Sing Cheng	$ 780	$ 8,865
	G. T.	6,943	10,507
	Fu Ming	15,002	630
		$ 22,725	$ 20,002

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

d. Disposal of financial assets

For the year ended December 31, 2024

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain on Disposal
Xu Zeng	Investments accounted for using the equity method (Note 32)	60	Green Touch Floors Inc.	$ 9,851	$ 8,792

e. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 22,730	$ 36,776
Post-employment benefits	809	832
	$ 23,539	$ 37,608

The remuneration of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral to financial institutions for bank borrowings:

	December 31	
	2025	2024
FVTOCI	$ -	$ 128,799
Land	456,595	456,595
Buildings and equipment (including construction in progress and equipment pending inspection)	1,657,829	1,767,253
Financial assets at amortized cost		
Restricted time deposits	1,001	13,032
	$ 2,115,425	$ 2,365,679

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments were as follows:

	December 31	
	2025	**2024**
Acquisition of property, plant and equipment		
USD	$ 252	$ 56
CNY	$ 8,677	$ 6,271
NTD	$ 17,429	$ 30,279
EUR	$ -	$ 199

38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To integrate the production planning and long-term operational strategy of the Group's subsidiaries in Mainland China, subsidiary Dongguan Prolong Plastic Products Co., Ltd. resolved at the Board of Directors meeting on January 19, 2026 to transfer its production capacity to an affiliated company, Dongguan MeiJer Plastic Products Co., Ltd. The aforementioned transfer is expected to be completed in the first quarter of 2026.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 8,254	31.4300 (USD:NTD)	$ 259,428
USD	19,135	7.0288 (USD:CNY)	601,413
NTD	4,150	0.0318 (NTD:USD)	4,150
CNY	2,674	0.1423 (CNY:USD)	11,958
CNY	28	4.4716 (CNY:NTD)	126
Financial liabilities			
Monetary items			
USD	2,209	31.4300 (USD:NTD)	69,431
USD	113	7.0288 (USD:CNY)	3,547
NTD	4,590	0.0318 (NTD:USD)	4,590
CNY	173	0.1423 (CNY:USD)	773
CNY	5,224	4.4716 (CNY:NTD)	23,362

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 4,719	32.7850 (USD:NTD)	$ 154,705
USD	22,357	7.1884 (USD:CNY)	732,983
NTD	2,401	0.0305 (NTD:USD)	2,401
CNY	4,436	0.1391 (CNY:USD)	20,231
CNY	1,584	4.5608 (CNY:NTD)	7,223
Financial liabilities			
Monetary items			
USD	2,515	32.7850 (USD:NTD)	82,465
USD	29	7.1884 (USD:CNY)	958
NTD	13,310	0.0305 (NTD:USD)	13,310
CNY	608	0.1391 (CNY:USD)	2,773
CNY	19,862	4.5608 (CNY:NTD)	90,586

The significant foreign exchange gains (losses) (realized and unrealized) were as follows:

Net foreign exchange gains (realized and unrealized) were $(16,294) thousand and $46,381 thousand for the years ended December 31, 2025 and 2024, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions or functional currencies of the entities in the Group.

40. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others (Table 1)

   2) Endorsements/guarantees provided (Table 2)

   3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

   6) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

41. SEGMENT INFORMATION

a. Information about significant transactions and investees

The chief operating decision maker regards each regional production and sales unit of LVT and SPC floors as a separate operating segment. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors. Therefore, segment information is not applicable.

1) The nature of the products and production processes are similar;

2) The pricing strategies for the products are similar;

3) The methods used to distribute the products to the customers are similar.

b. Revenue from major products

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

	For the Year Ended December 31	
	2025	**2024**
LVT and SPC floors	$ 3,162,915	$ 3,861,337

c. Geographical information

The Group operates in two principal geographical areas - Mainland China and Taiwan.

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

	Revenue from External Customers	
	For the Year Ended December 31	
	2025	2024
Europe	$ 1,481,134	$ 1,929,833
North America	1,197,562	1,461,032
Taiwan	175,235	164,296
Mainland China	106,334	111,930
Others	202,650	194,246
	$ 3,162,915	$ 3,861,337

	Non-current Assets	
	December 31	
	2025	2024
Mainland China and Hong Kong	$ 691,415	$ 774,610
Taiwan	2,545,415	2,783,753
	$ 3,236,830	$ 3,558,363

Non-current assets exclude assets classified as deferred tax assets, and exclude financial instruments.

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2025	2024
Group P	$ 1,630,519	$ 2,084,867
Customer M	719,358	1,031,052
	$ 2,349,877	$ 3,115,919

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 3)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
1	Dongguan MeiJer Plastic Products Co., Ltd.	Dongguan Prolong Plastic Products Co., Ltd.	Other receivables from related party	Yes	$ 89,432 (CNY 20,000)	$ -	$ -	-	Demand for short-term financing	$ -	Operating capital	$ -	-	-	$ 1,335,099	$ 1,335,099
		Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Other receivables from related party	Yes	143,091 (CNY 32,000)	-	-	-	Demand for short-term financing	-	Operating capital	-	-	-	1,335,099	1,335,099
	Dongguan Prolong Plastic Products Co., Ltd.	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Other receivables from related party	Yes	143,091 (CNY 32,000)	143,091 (CNY 32,000)	143,091 (CNY 32,000)	2.6	Demand for short-term financing	-	Operating capital, repayment	-	-	-	416,448	416,448

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: a. The credit limit for loans to a single enterprise that has business transactions with M. J. International Co., Ltd. (the "Company") shall not exceed the higher of (i) the total purchase or sales amount between the Company and the entity for the most recent fiscal year or the year-to-date as of the lending date, or (ii) 10% of the net worth, whichever is lower. For entities that require short-term financing from the Company, the individual loan amount shall not exceed 10% of the net worth of the Company or its subsidiaries based on its most recent audited or reviewed financial statements.

b. In the case of foreign companies (not incorporated in Taiwan) in which the Company directly and indirectly holds 100% of the voting shares, the total amount of loans granted among such entities shall not exceed 100% of the lender's net worth based on its most recent financial statements.

c. The total amount available for lending shall not exceed 40% of the net worth of the Company based on its most recent audited or reviewed financial statements. The total amount available for lending by each subsidiary shall not exceed 100% of the net worth of each subsidiary based on its most recent financial statements.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The total interest income from loans to others by Dongguan MeiJer Plastic Products Co., Ltd. for the current year amounted to NT$3,292 thousand. The total interest income from loans to others by Dongguan Prolong Plastic Products Co., Ltd. for the current year amounted to NT$483 thousand.

Note 5: For items involving foreign currencies in this statement, amounts were converted to New Taiwan dollars (NT$) at the exchange rates of US$1:NT$31.4300 and CNY1:NT$4.4716 as of the balance sheet date; the related profit and loss amounts were converted at the exchange rates of US$1:NT$31.1800 and CNY1:NT$4.3645.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount (Note 4)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	M.J. International Co., Ltd. (the "Company")	Opulent International Group Limited	b	$ 4,550,152	$ 1,165,189	$ 1,165,189	$ -	N/A	38.41	$ 9,100,305	Yes	No	No
		M.J. International Flooring And Interior Products Inc	b	4,550,152	3,616,010	3,316,010	2,597,135	N/A	119.21	9,100,305	Yes	No	No
		Dongguan MeiJer Plastic Products Co., Ltd.	b	4,550,152	223,580	223,580	-	N/A	7.37	9,100,305	Yes	No	Yes

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The seven types of relationships between the endorser/guarantor and endorsee/guarantee receiver indicated as numbers in the table above are as follows:

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

Note 3: a. The total endorsement/guarantee provided by the Company for others shall be no more than 300% of the net worth of the Company's most recent financial statements. The total endorsement/guarantee provided by the Company and its subsidiaries for others shall be no more than 300% of the net worth of the Company's most recent financial statements.

b. The total endorsement/guarantee provided by the Company and its subsidiaries to any individual entity shall not exceed 40% of the net worth of the Company's most recent financial statements. Notwithstanding, the total endorsement/guarantee provided for the company's wholly holding the voting shares of the Company directly and indirectly, or among the companies in which the Company wholly hold the voting shares directly or indirectly shall be no more than 150% of the net worth of the Company's most recent financial statements.

Note 4: The listed amounts were eliminated upon consolidation.

TABLE 3

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Security (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
Opulent International Group Limited	Credit Agricole S.A. London Branch 4.125%01/10/2027 DTD 01/10/2017	-	Financial assets at FVTOCI - current	-	$ 31,467	-	$ 31,467	Note 4
	Societe Generale S.A. 4%01/12/2027 DTD 01/12/2017	-	〃	-	31,360	-	31,360	Note 4
	Banque Ouest Africaine de Developpement 5.0%07/27/2027 DTD 07/27/2017	-	〃	-	31,260	-	31,260	Note 4
	Softbank Group Corp 6.875% Perpetual DTD 7/19/2017	-	Financial assets at FVTOCI - non-current	-	6,141	-	6,141	Note 4
	HSBC Holdings PLC, 6% Perpetual DTD 5/22/2017	-	〃	-	6,342	-	6,342	Note 4
					$ 106,570		$ 106,570	

Note 1: The term "securities" as used in this table refers to stocks, bonds, beneficiary certificates, and derivative securities within the scope of International Financial Reporting Standard (IFRS) No. 9 - Financial Instruments.

Note 2: The issuer of the securities is not a related party.

Note 3: Measured at fair value and presented at the adjusted carrying amount.

Note 4: The listed securities are not used as collateral, pledged for borrowings, or otherwise subject to any contractual restrictions on use.

Note 5: This table presents the marketable securities disclosed by the Company based on the materiality principle.

Note 6: For information about the equity investments in subsidiaries. Refer to Table 7 and Table 8.

TABLE 4

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 1)	% of Total (Note 2)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 1)	% of Total (Note 2)	
Opulent International Group Limited	Dongguan MeiJer Plastic Products Co., Ltd.	Affiliated company	Purchase	$ 1,268,109	80	O/A 120 days	$ -	-	$ (329,928)	(83)	Note 5
	Dongguan Prolong Plastic Products Co., Ltd.	Affiliated company	Purchase	289,086	18	O/A 120 days	-	-	(60,451)	(15)	Note 5
	M.J. International Flooring and Interior Products Inc.	Affiliated company	Sale	(105,550)	(6)	O/A 120 days	-	-	31,139	5	Note 5
M.J. International Flooring and Interior Products Inc.	Opulent International Group Limited	Affiliated company	Purchase	105,550	14	O/A 120 days	-	-	(31,139)	(21)	Note 5
Dongguan MeiJer Plastic Products Co., Ltd.	Opulent International Group Limited	Affiliated company	Sale	(1,268,109)	(92)	O/A 120 days	-	-	329,928	95	Notes 3 and 5
Dongguan Prolong Plastic Products Co., Ltd.	Opulent International Group Limited	Affiliated company	Sale	(289,086)	(97)	O/A 120 days	-	-	60,451	99	Notes 4 and 5

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: Each ratio is calculated based on the transaction amounts or balances with the respective trading companies.

Note 3: The unrealized profit for the year is NT$11,790 thousand.

Note 4: The unrealized profit for the year is NT$1,775 thousand.

Note 5: The transaction price is determined using a cost-plus pricing method.

Note 6: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT$) using the exchange rates of US$1:NT$31.4300 and CNY1:NT$4.4716 as of the balance sheet date; related profit and loss are converted at exchange rates of US$1:NT$31.1800 and CNY1:NT$4.3645.

TABLE 5

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)		Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Actions Taken		
Dongguan MeiJer Plastic Products Co., Ltd.	Opulent International Group Limited	Affiliated company	Trade receivables	$ 329,928	5.24 times	$ -	-	$ 174,263	$ -
Dongguan Prolong Plastic Products Co., Ltd.	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Investee company	Other receivables	143,574	-	-	-	455	-

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from January 1, 2026 to February 28, 2026.

Note 3: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT$) using the exchange rates of US$1:NT$31.4300 and CNY1:NT$4.4716 as of the balance sheet date; related profit and loss are converted using the exchange rates of US$1:NT$31.1800 and CNY1:NT$4.3645.

TABLE 6

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

No. (Note 1)	Transacting Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	M.J. International Co., Ltd. (parent company)	Opulent International Group Limited	a	Endorsements/guarantees provided	$ 1,165,189	-	18
		M.J. International Flooring and Interior Products Inc	a	Endorsements/guarantees provided	3,616,010	-	56
		Dongguan MeiJer Plastic Products Co., Ltd.	a	Endorsements/guarantees provided	223,580	-	3
		M.J. TECHNOLOGIES (THAILAND) CO., LTD.	a	Cash capital increase	36,810	-	1
		M.J. International Flooring and Interior Products Inc	a	Cash capital increase	400,000	-	6
		Prolong International Co., Limited	a	Cash capital decrease	277,396	-	4
		Opulent International Group Limited	a	Cash dividends	304,450	-	5
		MJ GROUP US INC	a	Cash capital increase	7,850	-	-
		M.J. TECHNOLOGIES (THAILAND) CO., LTD.	a	Cash capital decrease	35,636	-	1
		M.J. TECHNOLOGIES (THAILAND) CO., LTD.	a	Other receivables	37,196	-	1
1	Dongguan Prolong Plastic Products Co., Ltd.	Opulent International Group Limited	c	Revenue	289,086	Negotiated case by case. O/A 120 days	9
		Opulent International Group Limited	c	Trade receivables	60,451	-	1
		Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	c	Other receivables	143,574	Financing (including interest receivables $483)	2
2	Dongguan MeiJer Plastic Products Co., Ltd.	Opulent International Group Limited	c	Revenue	1,268,109	Negotiated case by case. O/A 120 days	40
		Opulent International Group Limited	c	Trade receivables	329,928	-	5
3	Opulent International Group Limited	M.J. International Flooring And Interior Products Inc	c	Revenue	105,550	Negotiated case by case. O/A 120 days	3
		M.J. International Flooring And Interior Products Inc	c	Trade receivables	31,139	-	-
		Dongguan MeiJer Plastic Products Co., Ltd.	c	Revenue	30,073	Negotiated case by case. O/A 120 days	1
4	Prolong International Co., Limited	Dongguan MeiJer Plastic Products Co., Ltd.	c	Cash capital decrease	197,293	-	3
		Dongguan Prolong Plastic Products Co., Ltd.	c	Cash capital decrease	149,484	-	2

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The flow of transactions is as follows. The above balances and transactions between the Company and its subsidiaries, which are related parties of the Group, the above have been eliminated on consolidation.

a. From the parent company to the subsidiary.
b. From the subsidiary to the parent company.
c. Between subsidiaries.

Note 3: Transaction ratios are calculated as follows: for balance sheet items, the ending balance is divided by consolidated total assets; for income statement items, the accumulated amount for the period is divided by consolidated total revenue.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 5: Foreign currency amounts in this statement are converted to New Taiwan dollars (NT$) at exchange rates of THB$1:NT$1.0019, US$1:NT$31.4300 and CNY1:NT$4.4716 as of the balance sheet date; related profit and loss are converted at exchange rates of THB$1:NT$0.9528, US$1:NT$31.1800 and CNY1:NT$4.3645.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount (Note 4)		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
M.J. International Co., Ltd	Prolong International Co., Limited	Hong Kong	Investment holding	$ 203,038 (US$ 6,460)	$ 474,071 (US$ 14,460)	-	100	$ 1,645,299	$ 125,987	$ 125,987	Notes 1 and 2
	Opulent International Group Limited	Hong Kong	International trade	273,441 (US$ 8,700)	285,230 (US$ 8,700)	8,700	100	892,143	231,106	231,106	Notes 1, 2 and 5
	M.J. International Flooring And Interior Products Inc	Taiwan	Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials.	500,000	900,000	50	100	356,070	(411,679)	(411,679)	Notes 1 and 2
	Fullhouse Investments Limited	Samoa	Investment holding	-	57,414 (US$ 1,751)	-	-	-	-	-	Notes 1, 2 and 6
	MJ Group US INC	United States	Trading of decorative and renovation materials	15,715 (US$ 500)	8,196 (US$ 250)	500	100	8,526	(4,477)	(4,477)	Notes 1 and 2
	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Thailand	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service.	12,399 (US$ 12,375)	11,908 (THB 12,375)	124	99	12,542	15	15	Notes 1 and 2
M.J. International Flooring And Interior Products Inc	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Thailand	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service.	125 (THB 125)	120 (THB 125)	1	1	125	15	-	Notes 1 and 2

Note 1: The recognition of investment gains or losses is based on the investee company's financial statements for the same period, which have been audited by independent auditors.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: Information on investments in mainland China is shown in Table 8.

Note 4: The foreign currency investment was translated into New Taiwan dollars (NT$) at the exchange rate on the reporting date.

Note 5: The investment gains or losses recognized for the current period are adjusting for realized and unrealized gross profit from upstream transactions during the period.

Note 6: Fullhouse Investments Limited completed its tax deregistration and business deregistration on March 7, 2025, and the liquidation repatriation process has also been completed.

TABLE 8

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Business and Product	Paid-in Capital (Notes 6 and 7)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b.(2) and 3)	Carrying Amount as of December 31, 2025 (Notes 3 and 5)	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
Dongguan MeiJer Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities.	$ 888,544 (US$ 28,271)	b. (1)	$ -	$ -	$ -	$ -	100	$ 134,002	$ 125,835	$ 1,335,099	$ -
Dongguan Prolong Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities.	187,921 (HK$ 46,538)	b. (1)	-	-	-	-	100	825	1,768	414,660	-
Chongqing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	35,773 (CNY 8,000)	b. (2)	-	-	-	-	100	(622)	(622)	9,540	-
Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	-	b. (2)	-	-	-	-	-	12,120	12,120	-	-
Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	210,165 (CNY 47,000)	b. (2)	-	-	-	-	100	(5,878)	(5,878)	96,948	-
Wuhan M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	40,244 (CNY 9,000)	b. (2)	-	-	-	-	100	(1,048)	(1,048)	25,722	-
Xian M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	20,122 (CNY 4,500)	b. (2)	-	-	-	-	100	(315)	(315)	12,433	-
Shenyang M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	20,122 (CNY 4,500)	b. (2)	-	-	-	-	100	6	6	15,723	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Note 4	Note 4	Note 4

Note 1: Three methods of investing in mainland China are as follows:

a. Direct.

b. Through an existing company established in a third region

1) Prolong International Co., Limited
2) Prolong International Co., Limited invested in Dongguan MeiJer Plastic Products Co., Ltd. and Dongguan Prolong Plastic Products Co., Ltd.)

c. Other methods.

Note 2: In the column of investment gain (loss)

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.

b. The basis for recognizing investment gain (loss) is as follows:

1) The financial statement audited by the attesting CPA of an international accounting firm in cooperation with an accounting firm in the ROC.
2) The financial statement audited by the attesting CPA of the parent company in Taiwan.
3) Other.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The Company is not incorporated in the Republic of China; therefore, it is not applicable.

Note 5: Includes unrealized gains and losses from upstream/downstream transactions.

Note 6: Translated at the exchange rate as of the balance sheet date.

Note 7: Beijing M.J. Architecture & Decoration Materials Co., Ltd. completed its tax deregistration and business deregistration on November 13, 2025, and the liquidation repatriation process has also been completed.

Significant transactions with investee companies in the mainland area, either directly or indirectly through a third area:

1. Purchase amounts and percentages, along with the ending balances and percentages of related payables: refer to Table 4.

2. Sales amounts and percentages, along with the ending balances and percentages of related receivables: refer to Table 4.

3. Property transaction amounts and the resulting gains or losses: None.

4. Ending balances and purposes of endorsed notes, guarantees, or pledged collateral: Refer to Table 2.

5. Highest balances, ending balances, interest rate ranges, and total interest amounts of financing: refer to Table 1.

6. Other transactions with significant impact on current profit or financial position, such as provision or receipt of services: None.

(Concluded)