

**COLLINS CO., LTD.****Parent Company Only Financial Statements****with Independent Auditors' Report****For the Years Ended December 31, 2025 and 2024**

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The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

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## Independent Auditors' Report

To the Board of Directors of Collins Co., Ltd.:

### Opinion

We have audited the financial statements of Collins Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 of 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgements, the key audit matters we communicated in the auditors' report were as follows:

#### 1. The accuracy of the timing of revenue recognition

Please refer to note 4(n) “Revenue recognition” for accounting policy and note 6(q) “Revenue from contracts with customers” for further information.

Description of key audit matter:

The sales of products from the Company are subject to the terms and conditions agreed upon in sales contracts with customers, wherein it will affect the timing of revenue recognition and transfer of control to the buyer to be in compliance with the accounting standards. If the revenue is recognized prior to the customer having obtained the goods, it will result in an inappropriate timing of revenue recognition the period surrounding the reporting date. Therefore, the accuracy of the timing of revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

- Understanding the main types of revenues and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customer.
- Testing the internal controls related to revenue recognition processes.
- Determining samples from sales transactions for a period before and after the balance sheet date to ensure the accuracy of the document related to revenue recognition.

### **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements , including the disclosures, and whether the parent-company-only 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 the investment in other entities accounted for using the equity method to express an opinion on this parent-company-only financial statements. We are responsible for the direction, supervision and performance of the 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 parent-company-only financial statements of the current period 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 Tang, Chia-Chien and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)  
March 10, 2026

#### **Notes to Readers**

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

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
COLLINS CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets :</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 75,846	1	56,758	1	2100	Short-term loans (note 6(j))	\$ 495,000	8	295,000	5
1110	Current financial assets at fair value through profit or loss (note 6(b))	269,853	4	165,338	3	2120	Current financial liabilities at fair value through profit or loss (notes 6(b) and (k))	6,164	-	11,239	-
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	97,829	2	113,153	2	2130	Current contract liabilities (note 6(q))	6,411	-	4,826	-
1150	Notes receivable, net (note 6(d))	3	-	-	-	2150	Notes payable	-	-	470	-
1170	Accounts receivable, net (note 6(d))	239,775	4	305,001	5	2170	Accounts payable	49,101	1	56,490	1
1181	Accounts receivable due from related parties (note 7)	70	-	-	-	2200	Other payables (note 6(r))	90,026	2	97,581	2
1210	Other receivables from related parties (note 7)	51,248	1	19,348	-	2220	Other payables to related parties (note 7)	10,743	-	10,521	-
1220	Current tax assets	2,151	-	629	-	2280	Current lease liabilities (note 6(l))	30,178	1	37,274	1
1300	Inventories (note 6(e))	280,646	5	267,337	4	2300	Other current liabilities	14,772	-	14,359	-
1476	Other current financial assets	30,664	1	1,177	-	2321	Bonds payable, current portion (note 6(k))	448,053	7	938,786	15
1479	Other current assets	21,725	-	30,585	1	2322	Long-term loans, current portion (notes 6(j) and 8)	22,286	-	11,143	-
	<b>Total current assets</b>	<u>1,069,810</u>	<u>18</u>	<u>959,326</u>	<u>16</u>		<b>Total current liabilities</b>	<u>1,172,734</u>	<u>19</u>	<u>1,477,689</u>	<u>24</u>
<b>Non-current assets :</b>						<b>Non-Current liabilities :</b>					
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	120,530	2	-	-	2540	Long-term loans (notes 6(j) and 8)	1,411,656	24	1,043,942	17
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	572,077	9	847,682	14	2570	Deferred tax liabilities (note 6(n))	126,941	2	121,200	2
1550	Investments accounted for using equity method (note 6(f))	2,054,076	34	2,101,585	34	2580	Non-current lease liabilities (note 6(l))	13,008	-	17,030	-
1600	Property, plant and equipment (notes 6(g), 7 and 8)	1,999,588	33	2,124,599	34	2645	Guarantee deposits received	662	-	2,205	-
1755	Right-of-use assets (note 6(h))	43,496	1	55,062	1	2600	Other non-current liabilities (note 6(m))	23,617	-	25,302	-
1780	Intangible assets (note 6(i))	6,180	-	7,796	-		<b>Total non-current liabilities</b>	<u>1,575,884</u>	<u>26</u>	<u>1,209,679</u>	<u>19</u>
1840	Deferred tax assets (note 6(n))	37,604	-	40,091	1		<b>Total liabilities</b>	<u>2,748,618</u>	<u>45</u>	<u>2,687,368</u>	<u>43</u>
1990	Other non-current assets (notes 6(d) and 8)	166,266	3	23,293	-		<b>Equity (notes 6(c), (f), (k), (m) and (o)):</b>				
	<b>Total non-current assets</b>	<u>4,999,817</u>	<u>82</u>	<u>5,200,108</u>	<u>84</u>	3110	Ordinary shares	2,091,167	34	2,091,167	34
						3200	Capital surplus	294,047	5	290,349	5
							Retained earnings :				
						3310	Legal reserve	677,094	11	662,432	11
						3320	Special reserve	220,615	4	220,615	4
						3350	Unappropriated retained earnings	206,287	4	164,352	3
							Total retained earnings	1,103,996	19	1,047,399	18
							Other equity interests:				
						3410	Exchange differences on translation of foreign financial statements	(62,208)	(1)	(42,937)	(1)
						3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income	(105,993)	(2)	86,088	1
							Total other equity	(168,201)	(3)	43,151	-
							<b>Total equity</b>	<u>3,321,009</u>	<u>55</u>	<u>3,472,066</u>	<u>57</u>
							<b>Total liabilities and equity</b>	<u>\$ 6,069,627</u>	<u>100</u>	<u>6,159,434</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 6,069,627</u>	<u>100</u>	<u>6,159,434</u>	<u>100</u>						

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
COLLINS CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
4000 <b>Operating revenues (notes 6(q) and 7)</b>	\$ 1,212,784	100	1,360,330	100
5000 <b>Operating costs (note 6(e))</b>	<u>754,219</u>	<u>62</u>	<u>887,641</u>	<u>65</u>
<b>Gross profit from operations</b>	<u>458,565</u>	<u>38</u>	<u>472,689</u>	<u>35</u>
<b>Operating expenses (notes 6(d), (g), (h), (i), (l), (m), (r), 7 and 12):</b>				
6100 Selling expenses	375,329	31	373,742	27
6200 Administrative expenses	172,093	14	165,105	12
6450 Expected credit loss	<u>6,020</u>	<u>-</u>	<u>2,793</u>	<u>-</u>
<b>Total operating expenses</b>	<u>553,442</u>	<u>45</u>	<u>541,640</u>	<u>39</u>
<b>Net operating loss</b>	<u>(94,877)</u>	<u>(7)</u>	<u>(68,951)</u>	<u>(4)</u>
<b>Non-operating income and expenses (notes 6(f), (g), (h), (k), (l), (s) and 7):</b>				
7010 Other income	118,813	10	87,563	6
7020 Other gains and losses	42,424	3	3,073	-
7050 Finance costs	(57,805)	(5)	(56,286)	(4)
7070 Share of profit or loss of subsidiaries and associates accounted for using equity method	107,818	9	153,946	11
7100 Interest income	<u>766</u>	<u>-</u>	<u>487</u>	<u>-</u>
<b>Total non-operating income and expenses</b>	<u>212,016</u>	<u>17</u>	<u>188,783</u>	<u>13</u>
<b>Profit before income tax</b>	117,139	10	119,832	9
7951 <b>Less: income tax expenses (note 6(n))</b>	<u>18,481</u>	<u>2</u>	<u>11,787</u>	<u>1</u>
<b>Profit</b>	<u>98,658</u>	<u>8</u>	<u>108,045</u>	<u>8</u>
8300 <b>Other comprehensive income (notes 6(f), (m) and (o)):</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	(26)	-	4,074	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(108,711)	(9)	157,107	12
8330 Share of other comprehensive income of subsidiaries and associates accounted for using equity method	64	-	58	-
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that may not be reclassified subsequently to profit or loss	<u>(108,673)</u>	<u>(9)</u>	<u>161,239</u>	<u>12</u>
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>				
8361 Exchange differences on translation of foreign financial statements	(19,271)	(2)	31,345	2
8399 Less: income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that may be reclassified to profit or loss	<u>(19,271)</u>	<u>(2)</u>	<u>31,345</u>	<u>2</u>
8300 <b>Other comprehensive income</b>	<u>(127,944)</u>	<u>(11)</u>	<u>192,584</u>	<u>14</u>
8500 <b>Total comprehensive income</b>	<u>\$ (29,286)</u>	<u>(3)</u>	<u>300,629</u>	<u>22</u>
9750 <b>Basic earnings per share (New Taiwan dollars) (note 6(p))</b>	<u>\$ 0.47</u>		<u>0.52</u>	
9850 <b>Diluted earnings per share (New Taiwan dollars) (note 6(p))</b>	<u>\$ 0.47</u>		<u>0.51</u>	

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
**COLLINS CO., LTD.**

**Statements of Changes in Equity**  
**For the years ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
<b>Balance at January 1, 2024</b>	\$ 2,091,111	270,771	649,052	220,615	156,582	1,026,249	(74,282)	(36,579)	(110,861)	3,277,270
Profit	-	-	-	-	108,045	108,045	-	-	-	108,045
Other comprehensive income	-	-	-	-	4,132	4,132	31,345	157,107	188,452	192,584
Total comprehensive income	-	-	-	-	112,177	112,177	31,345	157,107	188,452	300,629
Appropriation and distribution:										
Legal reserve	-	-	13,380	-	(13,380)	-	-	-	-	-
Cash dividends	-	-	-	-	(125,467)	(125,467)	-	-	-	(125,467)
Changes in ownership interests in subsidiaries and associates	-	19,543	-	-	-	-	-	-	-	19,543
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,440	34,440	-	(34,440)	(34,440)	-
Conversion of convertible bonds	56	35	-	-	-	-	-	-	-	91
<b>Balance at December 31, 2024</b>	2,091,167	290,349	662,432	220,615	164,352	1,047,399	(42,937)	86,088	43,151	3,472,066
Profit	-	-	-	-	98,658	98,658	-	-	-	98,658
Other comprehensive income	-	-	-	-	38	38	(19,271)	(108,711)	(127,982)	(127,944)
Total comprehensive income	-	-	-	-	98,696	98,696	(19,271)	(108,711)	(127,982)	(29,286)
Appropriation and distribution:										
Legal reserve appropriated	-	-	14,662	-	(14,662)	-	-	-	-	-
Cash dividends	-	-	-	-	(125,469)	(125,469)	-	-	-	(125,469)
Changes in ownership interests in subsidiaries and associates	-	3,698	-	-	-	-	-	-	-	3,698
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	83,370	83,370	-	(83,370)	(83,370)	-
<b>Balance at December 31, 2025</b>	\$ 2,091,167	294,047	677,094	220,615	206,287	1,103,996	(62,208)	(105,993)	(168,201)	3,321,009

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)  
**COLLINS CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 117,139	119,832
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	83,402	90,618
Amortization expense	3,810	3,471
Expected credit loss (reversal)	6,020	2,793
Net profit or loss on financial assets at fair value through profit or loss	(59,726)	9,233
Finance cost	57,805	56,286
Interest income	(766)	(487)
Dividend income	(55,166)	(29,744)
Share of profit of subsidiaries and associates accounted for using equity method	(107,818)	(153,946)
Loss on disposal of property, plant and equipment	7	1
Loss on bond redemption	12,578	-
Gain on lease modification	(117)	(249)
Others	-	81
Total adjustments to reconcile profit	(59,971)	(21,943)
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Financial liabilities at fair value through profit or loss	-	(1)
Notes receivable	(3)	-
Accounts receivable	61,620	(91,964)
Accounts receivable from related parties	(70)	-
Other receivable from related parties	(31,900)	(8,970)
Inventories	(13,309)	(9,726)
Other current assets	8,860	133
Other financial assets	(29,487)	473
<b>Changes in operating liabilities:</b>		
Contract liabilities	1,585	485
Notes payable	(470)	470
Accounts payable	(7,389)	12,234
Other payables	(8,110)	(3,480)
Other payables to related parties	222	(746)
Other current liabilities	370	985
Net defined benefit liabilities	(1,711)	(1,699)
Total adjustments	(79,763)	(123,749)
Cash inflow (outflow) generated from operations	37,376	(3,917)
Interest received	766	487
Dividends received	209,511	184,541
Interest paid	(27,566)	(22,062)
Income taxes paid	(11,775)	(6,543)
<b>Net cash flows from operating activities</b>	208,312	152,506
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(39,566)	(349,627)
Proceeds from disposal of financial assets at fair value through other comprehensive income	172,872	131,266
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	746	3,782
Acquisition of investments accounted for using equity method	-	(69,550)
Acquisition of financial assets at fair value through profit or loss	(119,628)	-
Proceeds from capital reduction of investments accounted for using equity method	630	-
Acquisition of property, plant and equipment	(62,667)	(203,529)
Proceeds from disposal of property, plant and equipment	4	3
(Increase) decrease in guarantee deposits paid	5,448	(5,703)
Acquisition of intangible assets	(2,194)	(3,358)
Repurchase of convertible bonds	(550,752)	-
Decrease in other non-current assets	(4,941)	149
<b>Net cash used in investing activities</b>	(600,048)	(496,567)
<b>Cash flows from (used in) financing activities:</b>		
Proceeds from short-term loans	4,800,000	4,015,000
Repayments in short-term loans	(4,600,000)	(4,205,000)
Proceeds from long-term loans	910,000	665,085
Repayments of long-term loans	(531,143)	-
Increase in guarantee deposits received	(1,500)	1,241
Payment of lease liabilities	(41,064)	(52,844)
Cash dividends paid	(125,469)	(125,467)
<b>Net cash flows from financing activities</b>	410,824	298,015
<b>Net (decrease) increase in cash and cash equivalents</b>	19,088	(46,046)
<b>Cash and cash equivalents at beginning of period</b>	56,758	102,804
<b>Cash and cash equivalents at end of period</b>	\$ 75,846	56,758

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)  
**COLLINS CO., LTD.**

**Notes to the Parent Company Only Financial Statements**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Collins Co., Ltd. (the “Company”) was established in May 1969. In the initial stage, the Company mainly operated building materials and related processing businesses. In 1971, the Company altered its direction of business practice plan by setting up a division in the United States to actively promote the products of SME in Taiwan. Collins Co. Ltd was approved by the government as a Major trading company in March 1978. It has set up offices in Hong Kong, Manila, Bangkok and other regions and gradually established foreign business information network to promote its business.

The Company mainly engaged in import and export trading, clothing retail and catering service.

**(2) Approval date and procedures of the financial statements:**

These parent-company-only financial statements were authorized for issue by the Board of Directors on March 10, 2026.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	<p>January 1, 2027</p> <p>note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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**COLLINS CO., LTD.**  
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The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

**(4) Summary of material accounting policies:**

The material accounting policies presented in the parent-company-only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

- 1) Financial assets at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into NTD at the exchange rates at the dates of the transactions.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, wherein differences are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NTD at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the foreign currency gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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**COLLINS CO., LTD.****Notes to the Parent Company Only Financial Statements**

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI )

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income from equity investments is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the Ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivables from related parties, guarantee deposits paid and other financial assets).

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The Company measures loss allowances at an amount equal to lifetime ELC, except for the following which are measured as 12-month ECL:

- Bank balances, other receivables from related parties, other financial assets, and guarantee deposit paid for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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**COLLINS CO., LTD.**  
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5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

1) Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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**COLLINS CO., LTD.**  
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On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their present location and condition. Inventories are subsequently written down to net realizable value item by item.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

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When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, the investments in subsidiaries, which are controlled by the Company, are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent-company-only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its shares in the changes in its equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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**COLLINS CO., LTD.**  
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(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	5~55 years
2) Leased assets	5~37 years
3) Operating and Other equipment	1~15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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**COLLINS CO., LTD.**  
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- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have an option to exercise a purchase, or
- there is a change in the assessment on the lease term as to whether it will be extended terminated; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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**COLLINS CO., LTD.**  
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(l) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- |                      |           |
|----------------------|-----------|
| 1) Computer software | 1~6 years |
|----------------------|-----------|

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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(n) Revenue recognition

Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company is engaged in import and export trading, clothing retail and catering service. The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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**COLLINS CO., LTD.**  
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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

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Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation and convertible bonds.

(r) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In preparing these parent company only financial statements, management has made judgments and estimates about the future, including climate related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

There is no information about critical judgments in the financial statements.

Information about assumption and estimation uncertainties that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and economic uncertainties have not had a significant impact.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash	\$ 1,307	1,259
Cash in bank	<u>74,539</u>	<u>55,499</u>
Cash and cash equivalents in the parent-company-only statement of cash flows	<u>\$ 75,846</u>	<u>56,758</u>

(b) Financial assets and liabilities at fair value through profit or loss

(i) Details as below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Mandatorily measured at financial assets at fair value through profit or loss-current:</b>		
Domestic listed shares	\$ 34,219	-
Foreign unlisted shares	<u>235,634</u>	<u>165,338</u>
	<u>\$ 269,853</u>	<u>165,338</u>
<b>Mandatorily measured at-non-current financial assets at fair value through profit or loss-non current:</b>		
Private funds	<u>\$ 120,530</u>	<u>-</u>
<b>Mandatorily measured financial liabilities at fair value through profit or loss-current:</b>		
Convertible bonds with embedded derivatives	<u>\$ 6,164</u>	<u>11,239</u>

(ii) As of December 31, 2025 and 2024, above financial assets were not pledged as collateral.

(c) Financial assets at fair value through other comprehensive income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity investments at fair value through other comprehensive income:		
Domestic listed shares	\$ 446,577	697,139
Domestic and foreign unlisted shares	<u>223,329</u>	<u>263,696</u>
Total	<u>\$ 669,906</u>	<u>960,835</u>
Current	\$ 97,829	113,153
Non-current	<u>572,077</u>	<u>847,682</u>
Total	<u>\$ 669,906</u>	<u>960,835</u>

(Continued)

**COLLINS CO., LTD.**  
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(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes. The Company holds 25% common shares of Tungya Collins (Tungya). However, the Company's management does not have significant influence over Tungya and holds no seat in its board of director.

The Company sold parts of the investment to adjust its investment portfolio, so in which the profit or loss of the transaction did not impact its operation. In 2025 and 2024, the disposal prices were \$172,872 and \$131,266, respectively, and the gains on disposals were \$83,370 and \$34,440, respectively. The realized gains were reclassified from other equity to retained earnings. In addition, the amount of capital reduction refunds were \$746 and \$3,782 in 2025 and 2024, respectively.

(ii) For market risk, please refer to note 6(t).

(iii) As of December 31, 2025 and 2024, above financial assets were not pledged as collateral.

(d) Accounts receivable

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Notes receivable	\$ 3	-
Accounts receivable	247,875	310,588
Less: loss allowance	<u>(8,100)</u>	<u>(5,587)</u>
	<u>239,778</u>	<u>305,001</u>
Overdue receivables (included in other non-current assets)	119,266	121,829
Less: loss allowance	<u>(119,266)</u>	<u>(121,829)</u>
	-	-
	<u><b>\$ 239,778</b></u>	<u><b>305,001</b></u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The loss allowance provisions of notes and accounts receivable were determined as follows:

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

	<b>December 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Not overdue	\$ 213,811	0.25%	538
1 to 90 days past due	24,641	2.08%	512
91 to 180 days past due	1,691	19.33%	327
181 to 365 days past due	2,016	49.77%	1,004
More than 365 days past due	<u>5,719</u>	100%	<u>5,719</u>
Total	<u><b>\$ 247,878</b></u>		<u><b>8,100</b></u>

  

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Not overdue	\$ 278,830	0.23%	636
1 to 90 days past due	26,410	4.17%	1,101
90 to 180 days past due	1,271	28.84%	367
181 to 365 days past due	1,326	55.18%	732
More than 365 days past due	<u>2,751</u>	100%	<u>2,751</u>
Total	<u><b>\$ 310,588</b></u>		<u><b>5,587</b></u>

On October 15, 2018, the Company's client Sears Holding Corp. filed for chapter 11 Bankruptcy. For the years ended December 31, 2025 and 2024, the Company has recognized USD3,435 thousand as allowance of doubtful accounts (classified under overdue receivables); the Company continuously follows the reorganization situation to secure the Company's right.

The movements in the loss allowance provisions for accounts receivable, and overdue receivables were as follows:

	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 127,416	116,882
Impairment loss recognized (reversed)	6,020	2,793
Foreign exchange losses	(4,977)	7,741
Amounts written off	<u>(1,093)</u>	<u>-</u>
Balance at December 31	<u><b>\$ 127,366</b></u>	<u><b>127,416</b></u>

The above financial assets were not discounted and pledged.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (e) Inventories

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Materials	\$ 881	518
Merchandise	<u>279,765</u>	<u>266,819</u>
	<b><u>\$ 280,646</u></b>	<b><u>267,337</u></b>

Except cost of goods sold and inventories recognized as expenses, the remaining gain or losses which were recognized as operating cost or deduction of operating cost were as follows:

	<b>2025</b>	<b>2024</b>
Write-downs of inventories (reversal of write-downs)	\$ (11,816)	(16,053)
Losses (gains) on inventory count	<u>192</u>	<u>406</u>
Total	<b><u>\$ (11,624)</u></b>	<b><u>(15,647)</u></b>

In 2025 and 2024, the reversal of write-down of inventories was due to the disposal of inventory arising from the original write-downs.

Inventories of the Company were not pledged.

## (f) Investments accounted for using equity method

(i) A summary of the Company for investments accounted for using the equity method is as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Subsidiaries	\$ 1,914,262	1,972,662
Associates	<u>139,814</u>	<u>128,923</u>
	<b><u>\$ 2,054,076</u></b>	<b><u>2,101,585</u></b>

## (ii) Subsidiaries

In early October 2024, the Company invested \$700 in cash to acquiring 70% of the shares of Collins Jubilee Energy and Technology Co., Ltd. (Collins Jubilee) and obtained controlling power. The main business of Collins Jubilee is energy technical services.

For details on the relevant subsidiaries, please refer to the consolidated financial statement for the year ended December 31, 2025.

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**COLLINS CO., LTD.**  
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(iii) Associates

The Company was the first major shareholder and held 26.22% of voting rights of Easting Biotechnology Co., Ltd., with the remaining shares not concentrated on specific shareholders. Moreover, the Company failed to obtain and hold more than half of its board seats and ownership interest with voting rights, respectively, resulting in the Company to only have significant influence, but not control, over Easting Biotechnology Co., Ltd.

In the third quarter of 2024, Sanhe Health conducted a cash capital increase. As the Company did not participate in the capital increase, its shareholding ratio decreased from 15.63% to 10.58%. However, with more than 20% of the voting rights on the board of directors, the Company still has significant influence over Senho after evaluation.

The company only held 10% of shareholding of Asia Smart Logistics. However, with more than 20% of the voting rights on the board of directors, the Company still has significant influence over Asia Logistics Corp., after evaluation.

In the fourth quarter of 2025, the Company's ownership interest in Hexai Group limited (Hexai) increased from 18% to 24%. The Company has significant influence over Hexai after evaluation. Accordingly, the investment was reclassified from financial asset at fair value through other comprehensive income to associate accounted for using equity method.

A summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. These financial information are included in the parent-company-only financial statements.

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Carrying amount of individually insignificant associates' equity	\$ <u>139,814</u>	<u>128,923</u>
	<u>2025</u>	<u>2024</u>
Attributable to the Company:		
Loss from continuing operations	\$ (5,198)	(7,469)
Other comprehensive income	-	-
Comprehensive income	\$ <u>(5,198)</u>	<u>(7,469)</u>

The aforementioned investments accounted for using equity method were not pledged.

(Continued)

**COLLINS CO., LTD.**  
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(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Leased assets</u>	<u>Operating and other equipment</u>	<u>Construction in process</u>	<u>Total</u>
Cost:						
Balance on January 1, 2025	\$ 1,221,959	654,988	87,504	182,322	150,130	2,296,903
Additions	-	166	-	31,857	30,644	62,667
Reclassification (Note)	-	4,031	-	963	(150,888)	(145,894)
Disposals	-	-	-	(5,905)	-	(5,905)
Balance on December 31, 2025	<u>\$ 1,221,959</u>	<u>659,185</u>	<u>87,504</u>	<u>209,237</u>	<u>29,886</u>	<u>2,207,771</u>
Balance on January 1, 2024	\$ 1,210,628	637,531	87,504	188,659	50,106	2,174,428
Additions	-	582	-	29,243	173,704	203,529
Reclassification (Note)	11,331	25,542	-	(1,247)	(73,680)	(38,054)
Disposals	-	(8,667)	-	(34,333)	-	(43,000)
Balance on December 31, 2024	<u>\$ 1,221,959</u>	<u>654,988</u>	<u>87,504</u>	<u>182,322</u>	<u>150,130</u>	<u>2,296,903</u>
Accumulated depreciation:						
Balance on January 1, 2025	\$ -	27,273	17,430	127,601	-	172,304
Depreciation	-	16,852	2,378	22,543	-	41,773
Disposals	-	-	-	(5,894)	-	(5,894)
Balance on December 31, 2025	<u>\$ -</u>	<u>44,125</u>	<u>19,808</u>	<u>144,250</u>	<u>-</u>	<u>208,183</u>
Balance on January 1, 2024	\$ -	52,714	15,052	144,946	-	212,712
Depreciation	-	15,761	2,378	19,318	-	37,457
Reclassification (Note)	-	(32,535)	-	(2,334)	-	(34,869)
Disposals	-	(8,667)	-	(34,329)	-	(42,996)
Balance on December 31, 2024	<u>\$ -</u>	<u>27,273</u>	<u>17,430</u>	<u>127,601</u>	<u>-</u>	<u>172,304</u>
Carrying amounts:						
Balance on December 31, 2025	<u>\$ 1,221,959</u>	<u>615,060</u>	<u>67,696</u>	<u>64,987</u>	<u>29,886</u>	<u>1,999,588</u>
Balance on January 1, 2024	<u>\$ 1,210,628</u>	<u>584,817</u>	<u>72,452</u>	<u>43,713</u>	<u>50,106</u>	<u>1,961,716</u>
Balance on December 31, 2024	<u>\$ 1,221,959</u>	<u>627,715</u>	<u>70,074</u>	<u>54,721</u>	<u>150,130</u>	<u>2,124,599</u>

(Note): Reclassifications are mainly transferring from buildings, operating and other equipment, intangible assets, other non-current assets and construction in process.

- (i) For the years ended December 31, 2025 and 2024, the Company capitalized the interest expenses amounting to \$3,700 and \$190. The ranges of the monthly interest rates used for capitalization calculation were 0.21% and 0.21%.
- (ii) The property, plant, and equipment of the Company had been pledged as collateral for loans, please refer to note 8.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (h) Right-of-use-assets

The Company leases buildings and structures. The movements of right-of-use assets were as follows:

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 107,944	2,269	110,213
Additions	39,263	-	39,263
Disposals	(65,407)	-	(65,407)
Reclassification	<u>(1,575)</u>	<u>1,575</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 80,225</u>	<u>3,844</u>	<u>84,069</u>
Balance at January 1, 2024	\$ 104,539	2,524	107,063
Additions	42,399	1,686	44,085
Disposals	<u>(38,994)</u>	<u>(1,941)</u>	<u>(40,935)</u>
Balance at December 31, 2024	<u>\$ 107,944</u>	<u>2,269</u>	<u>110,213</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 53,391	1,760	55,151
Depreciation	40,067	1,562	41,629
Disposals	(56,207)	-	(56,207)
Reclassification	<u>582</u>	<u>(582)</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 37,833</u>	<u>2,740</u>	<u>40,573</u>
Balance at January 1, 2024	\$ 35,153	2,200	37,353
Depreciation	51,659	1,502	53,161
Disposals	<u>(33,421)</u>	<u>(1,942)</u>	<u>(35,363)</u>
Balance at December 31, 2024	<u>\$ 53,391</u>	<u>1,760</u>	<u>55,151</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 42,392</u>	<u>1,104</u>	<u>43,496</u>
Balance at January 1, 2024	<u>\$ 69,386</u>	<u>324</u>	<u>69,710</u>
Balance at December 31, 2024	<u>\$ 54,553</u>	<u>509</u>	<u>55,062</u>

(Continued)

**COLLINS CO., LTD.**  
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## (i) Intangible assets

	<u>Computer Software</u>	<u>Trademark Rights</u>	<u>Total</u>
Costs:			
Balance at January 1, 2025	\$ 14,479	-	14,479
Additions	1,744	450	2,194
Disposals	(1,687)	-	(1,687)
Balance at December 31, 2025	<u>\$ 14,536</u>	<u>450</u>	<u>14,986</u>
Balance at January 1, 2024	\$ 8,703	-	8,703
Additions	3,358	-	3,358
Disposals	(686)	-	(686)
Reclassification (Note)	3,104	-	3,104
Balance at December 31, 2024	<u>\$ 14,479</u>	<u>-</u>	<u>14,479</u>
Accumulated amortization:			
Balance at January 1, 2025	\$ 6,683	-	6,683
Amortization	3,746	64	3,810
Disposals	(1,687)	-	(1,687)
Balance at December 31, 2025	<u>\$ 8,742</u>	<u>64</u>	<u>8,806</u>
Balance at January 1, 2024	\$ 3,898	-	3,898
Amortization	3,471	-	3,471
Reclassification (Note)	(686)	-	(686)
Balance at December 31, 2024	<u>\$ 6,683</u>	<u>-</u>	<u>6,683</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 5,794</u>	<u>386</u>	<u>6,180</u>
Balance at January 1, 2024	<u>\$ 4,805</u>	<u>-</u>	<u>4,805</u>
Balance at December 31, 2024	<u>\$ 7,796</u>	<u>-</u>	<u>7,796</u>

(Note): Reclassifications are transferring from operating and other equipment.

## (j) Bank loans

## (i) Short-term loans

The details of the Company for short-term loans were as follows:

	<u>December 31, 2025</u>		
	<u>Currency</u>	<u>Interest rate collar</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.80%~1.85%	<u>\$ 495,000</u>
Unused credit lines			<u>\$ 3,306,183</u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

	<b>December 31, 2024</b>		
	<b>Currency</b>	<b>Interest rate collar</b>	<b>Amount</b>
Unsecured bank loans	NTD	1.83%~1.85%	\$ <b>295,000</b>
Unused credit lines			\$ <b>4,147,499</b>

(ii) Long-term loans

The details of the Company for long-term loans were as follows:

	<b>December 31, 2025</b>			
	<b>Currency</b>	<b>Interest rate collar</b>	<b>Expiration year</b>	<b>Amount</b>
Unsecured bank loans	NTD	2.38%~2.46%	2027	\$ 310,000
Secured bank loans	NTD	1.98%~2.55%	2027~2042	1,123,942
Less: current portion				(22,286)
Total				\$ <b>1,411,656</b>

	<b>December 31, 2024</b>			
	<b>Currency</b>	<b>Interest rate collar</b>	<b>Expiration year</b>	<b>Amount</b>
Unsecured bank loans	NTD	2.02%~2.46%	2026	\$ 520,000
Secured bank loans	NTD	1.93%~2.55%	2029~2042	535,085
Less: current portion				(11,143)
Total				\$ <b>1,043,942</b>

The Company has pledged the assets as collateral for bank loans, please refer to note 8.

(k) Bonds payable

The details of unsecured convertible bonds were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Cumulative amount converted	(100)	(100)
Cumulative amount redeemed	(539,900)	-
Less: Unamortized discounted corporate bonds payable	(11,947)	(61,114)
Corporate bonds issued balance at year-end	448,053	938,786
Less: Corporate bonds to be redeemed within one year	-	(938,786)
Current portion	(448,053)	-
	\$ -	-
Embedded derivative instruments – put rights (included in non current financial liabilities at fair value through profit or loss)	\$ <b>6,164</b>	<b>11,239</b>
Equity component – conversion options (included in capital surplus– share options)	\$ <b>63,619</b>	<b>138,337</b>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

	<b>2025</b>	<b>2024</b>
Embedded derivative instruments – Profit and loss on the valuation of put rights (included net profit or loss in financial liabilities at fair value through profit or loss)	<b>\$ (12,682)</b>	<b>940</b>
Interest expense	<b>\$ (29,684)</b>	<b>(33,589)</b>

On September 20, 2023, the Company issued the first unsecured domestic convertible bonds amounting to \$1 billion, with major terms as follows:

- (i) Coupon rate: 0%
- (ii) Maturity date: three years (with the maturity date on September 20, 2026)
- (iii) Repayment method: Except for early redemption, buyback and conversion, the Company should repay its convertible bonds in cash upon maturity.
- (iv) Redemption method: The Company may redeem its bonds from the creditors if it meets the following criteria:
  - 1) If the closing price of the company's shares exceeded 30% of the conversion price for 30 consecutive business days within the period between 3 months after the date of issuance and 40 days before the maturity date, the Company may redeem its entire convertible bonds outstanding at per value in cash.
  - 2) If the total amount of unconverted convertible bonds outstanding for the period is less than 10% of total amount of bonds issued for the period between 3 months after the issuance of convertible bonds and 40 days before the maturity date, the Company may redeem its entire convertible bonds outstanding at per value in cash.
- (v) Repurchase at the option of the bondholders (put right of the bondholders): Bondholders have the option to notify the Company of their request for bond redemption within 40 days prior to the second anniversary of the issuance date, and the Company should redeem the bonds at 102.01% of the per value within 5 business days following such date.

On September 25, 2025, the Company accepted the exercise of the put right by bondholders and redeemed 5,399 bonds, amounting \$550,752. In addition, the Company recognized loss on bond redemption in the amount of \$12,578 (including interest compensation of \$10,852), which was accounted as other gains and losses.

- (vi) Conversion period: The bondholders can convert their bonds into shares at any time between 3 months after the date of issuance and the day before the maturity day, except for the following:
  - 1) The closing period in accordance with the applicable laws;
  - 2) The period that starts from the fifteen business days prior to the date of record for determination wherein the shareholders are entitled to receive the distributions or rights to subscribe for new shares in a capital increase for cash, and ends on the date of record for the distribution of the rights and benefits;

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**COLLINS CO., LTD.**  
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- 3) The period starts from the date of record of the capital decrease and ends one day prior to the reissuance of the trading of shares after the capital decrease;
- 4) The period from the date of the suspension of the conversion in respect of the change of par value of the Issuer's shares to one day prior to the first trading date of shares reissued after the change of par value.
- (vii) Conversion price: The price determination date was on August 31, 2023. The conversion price shall be the simple arithmetical average closing price of the ordinary shares of the Company for either one, three or five business days before the pricing date (exclusive), multiplied by the premium ratio of 102.01% (rounded off to the 1st decimal place). If the ex-dividend or the ex-right date happens before the pricing date, the closing price which was adopted to calculate the conversion price should be adjusted for the distribution of stock dividends or cash dividends; and if the ex-dividend or the ex-rights date happens between the conversion price determination date and the actual issuance date, the conversion price should be modified by the conversion price adjustment formula. As of December 31, 2025, the conversion price is \$16.8 per share.

(l) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Current	\$ <u>30,178</u>	<u>37,274</u>
Non-current	\$ <u>13,008</u>	<u>17,030</u>

For the maturity analysis, please refer to note 6(t) financial instruments.

The amounts recognized in profit or loss were as follows:

	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ <u>941</u>	<u>1,187</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>4,984</u>	<u>4,966</u>
Expenses relating to short-term leases	\$ <u>514</u>	<u>557</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>2,494</u>	<u>2,068</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	\$ <u>49,997</u>	<u>61,622</u>

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**COLLINS CO., LTD.**  
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(i) Real estate leases

The Company leases buildings and structures for its warehouse and retail stores. The leases of warehouse and retail stores typically run for a period of 1 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases transportation equipment with lease terms of 1 to 3 years.

The Company leases temporary venue and surrounding equipment on short-term leases or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Employee benefit plans

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Present value of the defined benefit obligations	\$ 73,134	73,907
Fair value of plan assets	<u>(49,517)</u>	<u>(48,605)</u>
Net defined benefit liabilities	<u><b>\$ 23,617</b></u>	<u><b>25,302</b></u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$49,517 and \$48,605 as of December 31, 2025 and 2024, respectively. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2025 and 2024, the movements in the present value of the defined benefit obligations for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligations at January 1	\$ 73,907	81,553
Current service costs and interest cost	1,218	1,326
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	3,711	259
Benefits paid	<u>(5,702)</u>	<u>(9,231)</u>
Defined benefit obligations at December 31	<u>\$ 73,134</u>	<u>73,907</u>

3) Movements of defined benefit plan assets

For the years ended December 31, 2025 and 2024, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 48,605	50,478
Return on planned assets	751	787
Remeasurements of the net defined benefit liabilities (assets):		
—Actuarial gain or loss arising from financial assumptions	3,685	4,333
Contributions paid by the employer	2,178	2,238
Benefits paid by the plan	<u>(5,702)</u>	<u>(9,231)</u>
Fair value of plan assets at December 31	<u>\$ 49,517</u>	<u>48,605</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 44	43
Net interest on the net defined benefit liabilities	<u>423</u>	<u>496</u>
	<u>\$ 467</u>	<u>539</u>
	<u>2025</u>	<u>2024</u>
Administrative expenses	<u>\$ 467</u>	<u>539</u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

- 5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income:

The Company's remeasurement of the net defined benefit liabilities recognized in other comprehensive income was as follows:

	<u>2025</u>	<u>2024</u>
Accumulated balance as of January 1	\$ 9,983	14,057
Recognition in the current period	26	(4,074)
Accumulated balance as of December 31	<u>\$ 10,009</u>	<u>9,983</u>

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.63 %	1.75 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$2,170.

For 2025 the weighted average lifetime of the defined benefits plans are 9.69 years.

- 7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company utilizes judgments and estimates to determine relevant actuarial assumptions set on the reporting date, including discount rates, employee turnover rates, and future salary increasing rates, wherein these actuarial assumptions may have a significant impact on the calculation of the defined benefit obligations.

As of December 31, 2025 and 2024, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<u>Influences of defined benefit obligations</u>	
	<u>Increase</u>	<u>Decrease</u>
December 31, 2025		
Discount rate decrease (increase) by 0.25%	\$ 1,129	(1,097)
Future salary increasing rate increase (decrease) by 0.25%	1,086	(1,069)
December 31, 2024		
Discount rate decrease (increase) by 0.25%	\$ 1,218	(1,196)
Future salary increasing rate increase (decrease) by 0.25%	1,177	(1,163)

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of Labor Insurance without the payment of additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$5,778 and \$5,270 for the years ended December 31, 2025 and 2024, respectively.

(n) Income taxes

(i) Income tax expense

The components of income tax expense for the ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 10,253	5,046
Deferred tax expense		
Deferred income tax expense	8,228	6,741
Income tax expense	<u>\$ 18,481</u>	<u>11,787</u>

For the years ended December 31, 2025 and 2024, there were no income tax expense recognized in other comprehensive income.

Reconciliations of income tax and profit before tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Profit before income tax	\$ <u>117,139</u>	<u>119,832</u>
Income tax using the Company's domestic tax rate	\$ 23,427	23,966
Additional tax on undistributed earnings	179	-
Permanent differences	(6,712)	(3,173)
Non-deductible expense	7,558	2,897
Income basic tax	1,888	807
Change in temporary differences	(8,487)	(12,562)
Others	628	(148)
Income tax expense	<u>\$ 18,481</u>	<u>11,787</u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (ii) Deferred tax assets and liabilities

## 1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. Details are as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Temporary differences related to investments in subsidiaries	<b>\$ 110,292</b>	<b>100,343</b>

## 2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

## Deferred Tax Assets:

	<b>Unrealized loss on inventories</b>	<b>Unused tax losses</b>	<b>Allowance of doubtful accounts</b>	<b>Others</b>	<b>Total</b>
<b>Balance at January 1, 2025</b>	\$ 7,563	7,853	24,618	57	40,091
Recognized in profit or loss	(2,363)	(822)	120	578	(2,487)
<b>Balance at December 31, 2025</b>	<b>\$ 5,200</b>	<b>7,031</b>	<b>24,738</b>	<b>635</b>	<b>37,604</b>
<b>Balance at January 1, 2024</b>	\$ 10,774	10,055	22,711	588	44,128
Recognized in profit or loss	(3,211)	(2,202)	1,907	(531)	(4,037)
<b>Balance at December 31, 2024</b>	<b>\$ 7,563</b>	<b>7,853</b>	<b>24,618</b>	<b>57</b>	<b>40,091</b>

## Deferred Tax Liabilities:

	<b>Reserve for land value increment tax</b>	<b>Share of gain or loss of subsidiaries accounted for using equity method</b>	<b>Others</b>	<b>Total</b>
<b>Balance at January 1, 2025</b>	\$ (107,318)	(13,882)	-	(121,200)
Recognized in profit or loss	-	(4,407)	(1,334)	(5,741)
<b>Balance at December 31, 2025</b>	<b>\$ (107,318)</b>	<b>(18,289)</b>	<b>(1,334)</b>	<b>(126,941)</b>
<b>Balance at January 1, 2024</b>	\$ (107,318)	(11,178)	-	(118,496)
Recognized in profit or loss	-	(2,704)	-	(2,704)
<b>Balance at December 31, 2024</b>	<b>\$ (107,318)</b>	<b>(13,882)</b>	<b>-</b>	<b>(121,200)</b>

(iii) The Company's tax returns for all years through 2023 were assessed by tax authorities.

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the amounts of authorized ordinary shares were both \$4,900,000 with par value of NT\$10 per share. The total issued shares amounted to 209,117 thousands. All issued shares were paid up upon issuance.

The convertible bonds issued by the Company amounting to \$56 was converted into 6 thousand ordinary shares in 2024. The relevant registration procedures were finalized.

(ii) Capital surplus

Balances of capital surplus as the reporting dates were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Transaction of treasury share	\$ 31,084	31,084
Dividends paid to subsidiaries	42,608	42,608
Changes in ownership interests in subsidiaries and associates	82,067	78,320
Convertible bonds—share options	63,619	138,337
Convertible bonds—expired share options	74,669	-
Total	<u>\$ 294,047</u>	<u>290,349</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve (except when legal reserve equals to the Company's paid-in capital), settling aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The earnings distribution can be either in cash or by stock dividends, wherein the cash dividends shall not be less than 10% of total dividends.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

On the initial adoption of IFRSs, the Company should appropriate to a special reserve with amounts the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. At the transition date, the aforementioned unrealized revaluation increment and the cumulative translation differences amounted to \$219,750, and the increase in retained earnings due to the initial adoption of IFRSs was \$287,553. The Company accordingly appropriated its special reserve of \$219,750 accordingly, of which may be reversed in proportion to the usage, disposal or reclassification of the related assets, and thereafter distributed. As of December 31, 2025 and 2024, the balances of special reserve were both \$220,615.

According to the above-mentioned regulation, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2024 and 2023 was decided by the resolution adopted, at the general meeting of shareholders held on June 11, 2025 and June 12, 2024 respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share (NT\$)</u>	<u>Total amount</u>	<u>Amount per share (NT\$)</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.60	<u>125,469</u>	0.60	<u>125,467</u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

On March 10, 2026, the Company's Board of Directors' meeting resolved to appropriate the earnings of 2025. These earnings were appropriated as follows:

	<b>2025</b>	
	<b>Amount per share (NT\$)</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.60	<u><u>125,470</u></u>

(iv) Other equity interest, net of tax

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1, 2025	\$ (42,937)	86,088	43,151
Exchange differences on translation of foreign financial statements	(19,271)	-	(19,271)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(108,711)	(108,711)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(83,370)	(83,370)
Balance at December 31, 2025	<u><u>\$ (62,208)</u></u>	<u><u>(105,993)</u></u>	<u><u>(168,201)</u></u>
	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1, 2024	\$ (74,282)	(36,579)	(110,861)
Exchange differences on translation of foreign financial statements	31,345	-	31,345
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	157,107	157,107
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(34,440)	(34,440)
Balance at December 31, 2024	<u><u>\$ (42,937)</u></u>	<u><u>86,088</u></u>	<u><u>43,151</u></u>

(p) Earnings per share

The calculation of basic and diluted earnings per share were as follow:

(i) Basic earnings per share

	<b>2025</b>	<b>2024</b>
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	<u><u>\$ 98,658</u></u>	<u><u>108,045</u></u>
Weighted average number of ordinary shares (thousand)	<u><u>209,117</u></u>	<u><u>209,115</u></u>
Basic earnings per share (NTD)	<u><u>\$ 0.47</u></u>	<u><u>0.52</u></u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (ii) Diluted earnings per share

<b>Diluted earnings per share</b>	<b>2025</b>	<b>2024</b>
Profit attributable to ordinary shareholders of the Company	\$ 98,658	108,045
Interest expense and other gains and losses on convertible bonds, net of tax (Note)	-	26,118
Profit attributable to ordinary shareholders of the Company (After adjusting the potential dilutive ordinary shares)	<b>98,658</b>	<b>134,163</b>
Weighted average number of ordinary shares (basic) (thousand)	209,117	209,115
Effect on dilutive potential ordinary shares		
- Employee remuneration (thousand)	436	258
-Convertible bonds (thousand) (Note)	-	55,550
Weighted average number of ordinary shares (diluted) (thousand)	<b>209,553</b>	<b>264,923</b>
Diluted earnings per share (NTD)	<b>\$ 0.47</b>	<b>0.51</b>

(Note): For the year ended December 31, 2025, the convertible bonds had anti-diluted effects and hence the convertible bonds was not included in the calculation of effect on dilutive potential ordinary shares.

## (q) Revenue from contracts with customers

## (i) Details of revenue

	<b>2025</b>		
	<b>Department of trading</b>	<b>Department of fashion</b>	<b>Total</b>
Primary geographical markets:			
Taiwan	\$ -	562,157	562,157
America	189,851	-	189,851
Other American counties	460,776	-	460,776
	<b>\$ 650,627</b>	<b>562,157</b>	<b>1,212,784</b>
	<b>2024</b>		
	<b>Department of trading</b>	<b>Department of fashion</b>	<b>Total</b>
Primary geographical markets:			
Taiwan	\$ -	581,687	581,687
America	217,868	-	217,868
Other American counties	560,775	-	560,775
	<b>\$ 778,643</b>	<b>581,687</b>	<b>1,360,330</b>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(ii) Contract balances

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1,</u> <u>2024</u>
Contract liabilities- sale of goods	\$ <u>6,411</u>	<u>4,826</u>	<u>4,341</u>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(d).

The amounts of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$265 and \$11, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(r) Remunerations to employees and directors

On June 11, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 4% shall be allocated as employee remuneration (including a minimum of 1% to those base-level employees) and no more than 3% as remunerations for directors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3% should be allocated as employee remuneration and no more than 3% as remunerations for directors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

	<u>2025</u>	<u>2024</u>
Employees' remuneration	\$ 5,038	3,824
Directors' remuneration	<u>3,779</u>	<u>3,824</u>
	<u>\$ 8,817</u>	<u>7,648</u>

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees' and directors' based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's parent-company-only financial statements of the years ended December 31, 2024 and 2023. The related information can be found on Market Observation Post System website.

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**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (s) Non-operating income and expenses

## (i) Interest income

	<u>2025</u>	<u>2024</u>
Interest income	\$ <u>766</u>	<u>487</u>

## (ii) Other income

	<u>2025</u>	<u>2024</u>
Dividend income	\$ 55,166	29,744
Rent income	32,349	31,257
Service income from related parties	17,985	19,344
Others	<u>13,313</u>	<u>7,218</u>
	<u>\$ 118,813</u>	<u>87,563</u>

## (iii) Other gains and losses

	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses)	\$ (5,290)	12,092
Gains (losses) on financial assets and liabilities at fair value through profit or loss	59,726	(9,233)
Loss on bond redemption	(12,578)	-
Others	573	215
Gains (losses) on disposals of property, plant and equipment	<u>(7)</u>	<u>(1)</u>
	<u>\$ 42,424</u>	<u>3,073</u>

## (iv) Finance costs

	<u>2025</u>	<u>2024</u>
Interest expense - bank loan	\$ (30,880)	(21,700)
Interest expense - lease liabilities	(941)	(1,187)
Interest expense - bonds payable	(29,684)	(33,589)
Less: capitalized interest	<u>3,700</u>	<u>190</u>
	<u>\$ (57,805)</u>	<u>(56,286)</u>

## (t) Financial instruments

## (i) Credit risk

## 1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

2) Concentration of credit risk

The concentration of credit risk occurs when the transactions of financial commodity are mainly dealt with individual counterparty, or such transactions are not concentrated in individual counterparty whereas the counterparty engages in similar business activities and has similar credit characteristics. The Company's accounts were concentrated in an individual counterparty as follows:

	<u>Amount</u>	<u>% of the Company's accounts receivable</u>
<u>December 31, 2025</u>		
Company T	\$ <u>88,864</u>	<u>36</u>
<u>December 31, 2024</u>		
Company T	\$ <u>144,581</u>	<u>47</u>

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<b>December 31, 2025</b>						
Non-derivative financial liabilities						
Short-term loans	\$ 495,000	495,000	495,000	-	-	-
Long-term loans (including current portion)	1,433,942	1,433,942	22,286	932,286	211,941	267,429
Lease liabilities	43,186	43,186	30,178	8,843	4,165	-
Accounts payables	49,101	49,101	49,101	-	-	-
Other payables (including related parties)	100,769	100,769	100,769	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	5,771	5,771	5,109	522	140	-
Bonds payable	448,053	448,053	448,053	-	-	-
Derivative financial liabilities						
Convertible bonds with embedded derivatives	6,164	6,164	6,164	-	-	-
	<u>\$ 2,581,986</u>	<u>2,581,986</u>	<u>1,156,660</u>	<u>941,651</u>	<u>216,246</u>	<u>267,429</u>

(Continued)

**COLLINS CO., LTD.**  
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<b>December 31, 2024</b>	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities						
Short-term loans	\$ 295,000	295,000	295,000	-	-	-
Long-term loans (including current portion)	1,055,085	1,055,085	11,143	542,287	211,941	289,714
Lease liabilities	54,304	54,304	37,274	12,477	4,553	-
Notes payables	470	470	470	-	-	-
Accounts payables	56,490	56,490	56,490	-	-	-
Other payables (including related parties)	108,102	108,102	108,102	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	5,586	5,586	3,381	2,095	110	-
Bonds payable	938,786	938,786	938,786	-	-	-
Derivative financial liabilities						
Convertible bonds with embedded derivatives	11,239	11,239	11,239	-	-	-
	<u>\$ 2,525,062</u>	<u>2,525,062</u>	<u>1,461,885</u>	<u>556,859</u>	<u>216,604</u>	<u>289,714</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company is significantly exposed to foreign currency risk as follows:

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets						
Monetary items						
USD	\$ 6,527	31.380	204,809	8,822	32.735	288,782
Financial liabilities						
Monetary items						
USD	2,117	31.380	66,447	1,695	32.735	55,485
JPY	6,840	0.199	1,360	6,669	0.208	1,387

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and accounts payable that are denominated in foreign currency.

(Continued)

**COLLINS CO., LTD.**  
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A weakening (strengthening) of 1% of the NTD against foreign currency for the years ended December 31, 2025 and 2024 would have increased (decreased) the profit before tax by \$1,370 and \$2,319, respectively. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis is performed on the same basis for both years.

The amount, expressed in functional currency, of foreign exchange gain and loss (including realized and unrealized portions) of the Company's monetary items was as follows:

	2025		2024	
	Foreign exchange gain (loss)	Average rate	Foreign exchange gain (loss)	Average rate
NTD	\$ (5,290)	-	12,092	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Company's profit before tax would have decreased / increased by \$19,289 and \$13,501 for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Company's loan at variable rates.

(v) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2025		2024	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Prices of securities at the reporting date				
Increasing 1%	\$ 6,699	3,904	9,608	1,653
Decreasing 1%	\$ (6,699)	(3,904)	(9,608)	(1,653)

(Continued)

**COLLINS CO., LTD.**  
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## (vi) Fair value of financial instruments

## 1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss-current</b>					
Domestic listed shares	\$ 34,219	34,219	-	-	34,219
Foreign unlisted shares	<u>235,634</u>	-	-	<u>235,634</u>	<u>235,634</u>
Subtotal	<u>269,853</u>	<u>34,219</u>	-	<u>235,634</u>	<u>269,853</u>
<b>Financial assets at fair value through profit of loss-non-current</b>					
Private funds	<u>120,530</u>	-	-	<u>120,530</u>	<u>120,530</u>
<b>Financial assets at fair value through other comprehensive income-current</b>					
Domestic listed shares	\$ <u>97,829</u>	<u>97,829</u>	-	-	<u>97,829</u>
<b>Financial assets at fair value through other comprehensive income-non-current</b>					
Domestic listed shares	348,748	348,748	-	-	348,748
Domestic and foreign unlisted shares	<u>223,329</u>	-	-	<u>223,329</u>	<u>223,329</u>
Subtotal	<u>572,077</u>	<u>348,748</u>	-	<u>223,329</u>	<u>572,077</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	75,846	-	-	-	-
Receivables	291,096	-	-	-	-
Other current financial assets	30,664	-	-	-	-
Guarantee deposits paid	17,109	-	-	-	-
Restricted deposits (classified under other non-current assets)	<u>118,860</u>	-	-	-	-
Subtotal	<u>533,575</u>	-	-	-	-
Total	<u>\$ 1,593,864</u>	<u>480,796</u>	-	<u>579,493</u>	<u>1,060,289</u>
<b>Financial liabilities at fair value through other comprehensive income-non-current</b>					
Convertible bonds with embedded derivatives	\$ <u>6,164</u>	-	<u>6,164</u>	-	<u>6,164</u>

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**COLLINS CO., LTD.**  
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	December 31, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	495,000	-	-	-	-
Long-term loans (including current portion)	1,433,942	-	-	-	-
Lease liabilities	43,186	-	-	-	-
Payables	149,870	-	-	-	-
Bonds payable	448,053	-	-	-	-
Guarantee deposits received	5,771	-	-	-	-
Subtotal	<u>2,575,822</u>	-	-	-	-
Total	<u>\$ 2,581,986</u>	<u>-</u>	<u>6,164</u>	<u>-</u>	<u>6,164</u>
<b>December 31, 2024</b>					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss-current</b>					
Foreign unlisted shares	\$ 165,338	-	-	165,338	165,338
<b>Financial assets at fair value through other comprehensive income-current</b>					
Domestic listed shares	\$ 113,153	113,153	-	-	113,153
<b>Financial assets at fair value through other comprehensive income-non-current</b>					
Domestic listed shares	583,986	583,986	-	-	583,986
Domestic and foreign unlisted shares	263,696	-	-	263,696	263,696
Subtotal	<u>847,682</u>	<u>583,986</u>	<u>-</u>	<u>263,696</u>	<u>847,682</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	56,758	-	-	-	-
Receivables	324,349	-	-	-	-
Other current financial assets	1,177	-	-	-	-
Guarantee deposits paid	22,557	-	-	-	-
Subtotal	<u>404,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,531,014</u>	<u>697,139</u>	<u>-</u>	<u>429,034</u>	<u>1,126,173</u>
<b>Financial liabilities at fair value through other comprehensive income-non-current</b>					
Convertible bonds with embedded derivatives	\$ 11,239	-	11,239	-	11,239
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 295,000	-	-	-	-
Long-term loans (including current portion)	1,055,085	-	-	-	-
Lease liabilities	54,304	-	-	-	-
Payables	165,062	-	-	-	-
Bonds payable	938,786	-	-	-	-
Guarantee deposits received	5,586	-	-	-	-
Subtotal	<u>2,513,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,525,062</u>	<u>-</u>	<u>11,239</u>	<u>-</u>	<u>11,239</u>

(Continued)

**COLLINS CO., LTD.****Notes to the Parent Company Only Financial Statements**

## 2) Valuation techniques for financial instruments not measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments with an active market are listed below according to types and attributes:

The listed stocks are traded in the active market and their fair value is based on the quoted price.

Except for the above-mentioned financial instruments traded in an active market, measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or the market transaction prices of the similar companies or other valuation techniques, including models, is calculated based on available market data at the reporting date.

When the financial instrument of the Company is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

## 3) Transfers between Level 1 and Level 2

For years ended December 31, 2025 and 2024, there was no transfer between level 2 and level 1 financial assets of the fair value hierarchy.

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4) Reconciliation of Level 3 fair values

	<u>At fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Mandatorily measured at fair value through profit or loss</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance at January 1, 2025	\$ 165,338	263,696	429,034
Total gains and losses recognized:			
In profit or loss	71,198	-	71,198
In other comprehensive income	-	(69,795)	(69,795)
Reclassified	-	13,325	13,325
Purchased	119,628	38,774	158,402
Disposal	-	(21,925)	(21,925)
Capital reduction refunds	-	(746)	(746)
Balance at December 31, 2025	<u>\$ 356,164</u>	<u>223,329</u>	<u>579,493</u>
	<u>At fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Unquoted equity instruments</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance at January 1, 2024	\$ -	325,819	325,819
Total gains and losses recognized:			
In other comprehensive income	(10,173)	-	(10,173)
Transfers out of Level 3	-	(122,507)	(122,507)
Reclassified	175,511	(175,511)	-
Purchased	-	229,532	229,532
Disposal	-	(12,271)	(12,271)
Capital reduction refunds	-	(3,782)	(3,782)
Balance at December 31, 2024	<u>\$ 165,338</u>	<u>263,696</u>	<u>429,034</u>

For the years ended December 31, 2025 and 2024, total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	<u>2025</u>	<u>2024</u>
Recognized in income	<u>\$ 71,198</u>	<u>(10,173)</u>
Recognized in other comprehensive income	<u>\$ (59,215)</u>	<u>11,931</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – debt investments” and “fair value through other comprehensive income – equity investments”.

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**COLLINS CO., LTD.**  
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Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable input of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through profit or loss-equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> <li>·Price-sales ratio (as of December 31, 2025 and 2024 were 16.29 and 15.96)</li> <li>·Market liquidity discount ratio (as of December 31, 2025 and 2024 were 20%)</li> </ul>	<ul style="list-style-type: none"> <li>·The higher the ratio, the higher the fair value</li> <li>·The higher the discount rate, the lower the fair value</li> </ul>
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> <li>·Price-book ratio (as of December 31, 2025 and 2024 were 1.52~7.54 and 1.55~4.68)</li> <li>·Price-sales ratio (as of December 31, 2025 was 2.95)</li> <li>·Market liquidity discount ratio (as of December 31, 2025 and 2024 were 10%~20%)</li> </ul>	<ul style="list-style-type: none"> <li>·The higher the ratio, the higher the fair value</li> <li>·The higher the discount rate, the lower the fair value</li> </ul>

6) Fair value measurement in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	<u>Inputs</u>	<u>Increase decrease</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
<b>December 31, 2025</b>						
Financial assets at fair value through profit or loss	Price-sales ratio	10%	35,616	35,616		
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	-	-	19,987	(19,987)
Financial assets at fair value through other comprehensive income	Price-sales ratio	10%	-	-	2,346	(2,346)
<b>December 31, 2024</b>						
Financial assets at fair value through profit or loss	Price-sales ratio	10%	16,534	(16,534)	-	-
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	-	-	26,370	(26,370)

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**COLLINS CO., LTD.**  
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The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(u) Financial risk management

(i) Structure of risk management

Each department monitors, controls, tracks and supervises the risks of strategy, finance, and operation. The Company reports the progress of risk management and control to the chairman of the Board of directors regularly. Apart from regular monitoring and supervision, during emergency, the Company must immediately set up an incident response team for further consideration and carry out necessary approaches to reduce risks.

(ii) Financial risk information

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risk. For more disclosures about the quantitative effects of these risks exposures. Please refer to the respective notes in the accompanying consolidated financial statements. The Company have exposure to the following risks from its financial instruments.

1) Credit risk

For credit risk analysis of cash and cash equivalents and accounts receivable, please refer to note 6(t).

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries, please refer to note 7(b).

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and insufficient banking facilities to be used.

The liquidity risk is monitored by the financial department of the Company. In order to ensure that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2025 and 2024, the unused credit lines for short-term loans please refer note 6(j). The Company's operational capital is sufficient to meet contractual obligations, therefore there is no liquidity risk of raising funds to fulfill contractual obligations. For information on the maturity date of financial liabilities, please refer to note 6(t).

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**COLLINS CO., LTD.****Notes to the Parent Company Only Financial Statements**

## 3) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

All such transactions are carried out within the guidelines "procedures for dealing in derivatives transactions", approved by the Company's board of directors and/or shareholders. The related financial operations are also supervised by the internal audit department. The management of various market risks of the Company is explained as follows:

## a) Currency risk

The Company is exposed to currency risk on sales, procurements and loans that are primarily denominated in NTD, US Dollar (USD) or Hong Kong Dollar (HKD). The Company's functional currency is NTD. At any point in time, the Company hedges its foreign currency exposure with respect to its net position of receivables, payables or assets/liabilities over the following six months.

The Company buys or sells foreign currencies at the spot rate when the short-term imbalance of monetary assets or liabilities, denominated in foreign currencies, occurs. The Company do not hedge the currency risk of investments in its subsidiaries.

## b) Interest rate risk

The Company's interest rate risk mainly comes from bank deposits and bank loans at variable interest rate. The impact of interest rate changes on fair value of related financial commodity is not significant.

## c) Security price risk: please refer to note 6(t).

## (v) Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market, and to sustain future development of the business. Capital includes ordinary shares, capital surplus and retained earnings. The Board of directors monitors the level of dividends to shareholders as well as return on capital.

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**COLLINS CO., LTD.**  
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The Company's debt to equity ratio at the end of the reporting period is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 2,748,618	2,687,368
Less: cash and cash equivalents	<u>(75,846)</u>	<u>(56,758)</u>
Net debt	<u>\$ 2,672,772</u>	<u>2,630,610</u>
Total equity	<u>\$ 3,321,009</u>	<u>3,472,066</u>
Debt-to-equity ratio	<u>80.48 %</u>	<u>75.76 %</u>

For the year ended December 31, 2025, the debt-to-capital ratio increased primarily due to new loan for urban renewal project of FPG building, resulted in an increase in total liabilities.

As of December 31, 2025, the Company's capital management strategy is consistent with the prior years.

(w) Investing and financing activities not affecting current cash flow

(i) Reconciliations of liabilities arising from financing activities were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>December 31, 2025</u>
			<u>New leases</u>	<u>Others</u>	
Short-term loans	\$ 295,000	200,000	-	-	495,000
Long-term loans (including current portion)	1,055,085	378,857	-	-	1,433,942
Lease liabilities	54,304	(41,064)	39,263	(9,317)	43,186
Bonds payable	938,786	(550,752)	-	60,019	448,053
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	<u>5,586</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>5,771</u>
Total liabilities from financing activities	<u>\$ 2,348,761</u>	<u>(12,774)</u>	<u>39,263</u>	<u>50,702</u>	<u>2,425,952</u>

  

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>December 31, 2024</u>
			<u>New leases</u>	<u>Others</u>	
Short-term loans	\$ 485,000	(190,000)	-	-	295,000
Long-term loans (including current portion)	390,000	665,085	-	-	1,055,085
Lease liabilities	68,884	(52,844)	44,085	(5,821)	54,304
Bonds payable	905,288	-	-	33,498	938,786
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	<u>4,344</u>	<u>1,242</u>	<u>-</u>	<u>-</u>	<u>5,586</u>
Total liabilities from financing activities	<u>\$ 1,853,516</u>	<u>423,483</u>	<u>44,085</u>	<u>27,677</u>	<u>2,348,761</u>

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**COLLINS CO., LTD.**  
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**(7) Related-party transactions:**

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent-company-only financial statements and the Company's subsidiaries.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Collins International Co., Ltd. (CICL)	The Subsidiary of the Company
Jesco International Co., Ltd. (Jesco)	The Subsidiary of the Company
Quality Craft Ltd. (Q.C.L.)	The Subsidiary of the Company
Collins (BVI) International Co., Ltd. (Collins BVI)	The Subsidiary of the Company
Colltex Garment MFY(HK) Co., Ltd. (Colltex HK)	The Subsidiary of the Company
Commend Holdings Limited (Commend HD)	The Subsidiary of the Company
Commend (HK) Limited (Commend HK)	The Subsidiary of the Company
Gaolingaoke Giftware (Shenzhen) Company (GLGK)	The Subsidiary of the Company
HI-Clearance Inc. (HIC) (Note 1)	The Subsidiary of the Company
Xing Chang Investment Co., Ltd. (Xing Chang)	The Subsidiary of the Company
GrowTrend Biomedical Co., Ltd. (GrowTrend)	The Subsidiary of the Company
Minoshin International Co., Ltd. (Minoshin International)	The Subsidiary of the Company
LDR Co., Ltd. (LDR)	The Subsidiary of the Company
Yuguang Energy Co., Ltd (Yuguang Energy)	The Subsidiary of the Company
Collins Energy Solutions Co., Ltd. (Collins Energy Solutions)	The Subsidiary of the Company
CESone Co., Ltd. (CESone)	The Subsidiary of the Company
Tuosen Energy Co., Ltd. (Tuosen Energy)	The Subsidiary of the Company
De Rui Technology Co., Ltd. (De Rui Technology)	The Subsidiary of the Company
Wincharge Technology Inc. (Wincharge Technology)	The Subsidiary of the Company
Connergy Technology Inc. (Connergy Technology)	The Subsidiary of the Company
Puden Solar Energy Co., Ltd. (Puden Solar)	The Subsidiary of the Company
J & V Energy Technology Co., Ltd. (J & V Energy)	Other related parties
Hexai Group Limited	The associate of the Company
LCL Capital Inc	Corporate shareholder
Chih Pin Industrial Co., Ltd.	Corporate shareholder
Witty Mate Corporation	Corporate shareholder
Jing Shing Investment Corp.	Corporate shareholder

Note 1: The related-party transactions of HIC, please refer to the note 7 of HIC's parent-company-only financial statements (stock code : 1788).

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**COLLINS CO., LTD.**  
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(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balances between the Company and related parties were as follows:

	<u>Sales</u>		<u>Receivables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries	\$ <u>70</u>	<u>-</u>	<u>70</u>	<u>-</u>

The selling prices and payment terms with related parties were not significantly different from those with third-party customers.

(ii) Management service fee, handling fee and commission income (classified under other income)

The balances of management fee, handling fee and commission income were as follows:

	<u>2025</u>	<u>2024</u>
HIC - management and directors' remuneration income	\$ 14,081	13,888
Subsidiaries - management service fee income	1,840	3,342
Subsidiaries - handling fee income	<u>2,064</u>	<u>2,114</u>
	<u>\$ 17,985</u>	<u>19,344</u>

The Company provides its subsidiaries management service and charges them accordingly. The management service fee offered to related parties are not materially different from that of the normal service fee offered by the market. The payment collection period to related parties is about 1 to 3 months. Receivables from related parties were not secured with collateral; therefore, did not require provisions for impairment losses.

The Company provided its subsidiaries endorsements and guarantees, where it charges them handling fee.

(iii) Commission expense, service charge and outsourcing expense (classified under operating expenses)

The balances of commission expense, service charge and outsourcing expense were as follows:

	<u>2025</u>	<u>2024</u>
Jesco - outsourcing expense	\$ 69,093	73,405
Subsidiaries - service charge	21,610	23,037
Subsidiaries - commission expense	86	254
Subsidiaries - other expense	<u>693</u>	<u>177</u>
	<u>\$ 91,482</u>	<u>96,873</u>

The Company outsources manpower to retail stores of its subsidiary, wherein the Company calculates the outsourcing expense according to the mark-up rate of the employee remuneration of each retail store.

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**COLLINS CO., LTD.**  
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The Company assigns its subsidiaries to process triangular trading in certain areas, wherein the Company pays service charge to its subsidiaries thereof.

The subsidiaries of the Company refer customers to the Company, wherein the Company pays its subsidiaries commission thereof.

The prices from related parties are not materially different from those of third-party vendors. The payment period to related parties is 1 to 2 months and not materially different from those of third-party vendors.

(iv) Property transactions

1) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties are summarized as follows:

	<b>2025</b>	<b>2024</b>
Other related parties	\$ -	<b>8,418</b>

In February 2024, the Company purchased construction of solar panel from J&V Energy amounting to \$8,418. As of December 31, 2025 and 2024, there was no remaining unpaid balance and the construction was reclassified to property, plant and equipment.

(v) Loans to related parties

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's loans. The loans to related parties are unsecured, wherein no expected credit loss is required to recognize after the management's assessment. The interest rates were 3.00% for the years end December 31, 2025 and 2024. The interest income were to \$550 and \$165, respectively.

(vi) Guarantee

For the years ended December 31, 2025 and 2024, the Company had provided guaranteed notes for loans taken out by the subsidiaries, wherein amounting to \$554,220 and \$566,415, respectively.

(vii) Leases

The Company leased out its the office or retail stores to the subsidiaries. The amounts of rent income were \$120 and \$309 for the years ended December 31, 2025 and 2024, respectively. The preceding rent payments have been received.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (viii) Payment of dividend

The dividends paid to related parties were as follows:

	<u>2025</u>	<u>2024</u>
LCL Capital Inc.	\$ 24,992	24,992
Chih Pin Industrial Co., Ltd.	6,209	5,684
Witty Mate Corporation	13,467	12,900
Jing Shing Investment Corp.	<u>6,341</u>	<u>6,340</u>
	<u>\$ 51,009</u>	<u>49,916</u>

## (ix) Payable to related parties

The balances of payables were as follows:

<u>Account</u>	<u>Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payable from related parties	Subsidiaries	<u>\$ 10,743</u>	<u>10,521</u>

## (x) Receivables from related parties

The balances of receivables were as follow:

<u>Account</u>	<u>Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables from related parties	Subsidiaries	<u>\$ 51,248</u>	<u>19,348</u>

## (c) Key management personnel compensation

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 32,122</u>	<u>32,533</u>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	Long-term loans	\$ 464,724	615,634
Restricted deposits	Long-term loans	<u>118,860</u>	<u>-</u>
		<u>\$ 583,584</u>	<u>615,634</u>

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

**(9) Commitments and contingencies:**

(a) The Company's outstanding standby letter of credit are as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Outstanding standby letter of credit	<u>\$ 137,870</u>	<u>155,086</u>

(b) The Company provided guarantee for notes as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Bank loan	\$ 554,220	566,415
Setting up counters and purchasing goods	6,529	9,626
	<u>\$ 560,749</u>	<u>576,041</u>

(c) Unrecognized contractual commitments:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Acquisition of property, plant and equipment	<u>\$ 796,389</u>	<u>822,145</u>

**(10) Losses due to major disasters: None**

**(11) Subsequent events: None**

**(12) Other:**

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2025			2024		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		-	146,927	146,927	-	129,446	129,446
Labor and health insurance		-	15,058	15,058	-	13,519	13,519
Pension		-	6,245	6,245	-	5,809	5,809
Remuneration of directors		-	9,103	9,103	-	7,649	7,649
Others		-	7,639	7,639	-	7,585	7,585
Depreciation		-	83,402	83,402	-	90,618	90,618
Amortization		-	3,810	3,810	-	3,471	3,471

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

For the years ended December 31, 2025 and 2024, the additional information for employee numbers and employee benefits were as follows:

	<u>2025</u>	<u>2024</u>
Number of employees	<u>252</u>	<u>208</u>
Number of directors who were concurrently not employees	<u>10</u>	<u>10</u>
Average employee benefits	<u>\$ 727</u>	<u>790</u>
Average employee salaries	<u>\$ 607</u>	<u>654</u>
Average adjustment rate of employee salaries	<u>(7.19)%</u>	<u>17.84 %</u>
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

**Directors' remuneration:** The remuneration of the directors of the Company is in accordance with the Company's articles of incorporation, wherein it is approved by the board of directors. According to the Company's articles of incorporation, the remuneration of the Company's directors is based on the directors' participation and contribution to the Company's operations, and also with reference to the level of the comparable companies. In addition, if the profit incurs, the remuneration of the directors is distributed in accordance with the Company's articles of incorporation.

**Managers and employees' remuneration:** The remuneration of the managers and employees includes salaries, bonus and employee remuneration, wherein it is determined based on the average salary with reference to level of the comparable companies, as well as the contribution to the Company's operations. The aforementioned remuneration policy was stipulated in accordance in accordance with the Company's articles of incorporation and by the level of authority. The determination of the remuneration payment is leveraged by the correlation between operational risks and operation performance, wherein the Company seeks a balance between sustainable operation and risk management.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

**(13) Other disclosures:****(a) Information on significant transactions:**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

**(i) Loans to other parties:**

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 6)	Ending balance (Note 6)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 5)
													Item	Value		
0	The Company	COLLTEX HK	Other financial asset	Yes	31,380	31,380	-	4.50%	(Note 1)	-	(Note 2)	-	-	-	332,100 (Note 3)	1,328,403 (Note 5)
0	"	Yuguang Energy	Other financial asset	Yes	60,000	60,000	36,000	3.00%	(Note 1)	-	(Note 2)	-	-	-	332,100 (Note 3)	1,328,403 (Note 5)
0	"	Hexai Group Limited	Other financial asset	Yes	20,000	20,000	5,000	3.00%	(Note 1)	-	(Note 2)	-	-	-	332,100 (Note 3)	1,328,403 (Note 5)
1	Collins Energy Solutions	Puden Solar Energy	Other financial asset	Yes	45,000	30,000	1,670	3.00%	(Note 1)	-	(Note 2)	-	-	-	122,986 (Note 4)	122,986 (Note 5)
1	"	Tuosen Energy	Other financial asset	Yes	60,000	30,000	25,000	2.50%	(Note 1)	-	(Note 2)	-	-	-	122,986 (Note 4)	122,986 (Note 5)
1	"	Japan Collins Energy	Other financial asset	Yes	20,000	20,000	3,679	2.00%	(Note 1)	-	(Note 2)	-	-	-	122,986 (Note 4)	122,986 (Note 5)
1	"	De Rui Technology	Other financial asset	Yes	13,000	13,000	3,000	2.50%	(Note 1)	-	(Note 2)	-	-	-	122,986 (Note 4)	122,986 (Note 5)

Note 1: Short-term financing.

Note 2: Operating Working Capital.

Note 3: Where funds are loaned for reasons of business dealings, the ceiling of the loan is commensurate to the total amount of trading between the two companies. If short-term financing is needed, individual financing shall not exceed 10% of the lender's shareholders' equity. (Applicable to the Company and HIC).

Note 4: Where funds are loaned for reasons of business dealings, the ceiling of the loan is commensurate to the total amount of trading between the two companies. If short-term financing is needed, individual financing shall not exceed 40% of the lender's shareholders' equity. (Applicable to Collins Energy Solutions).

Note 5: The total amount of these financing shall not exceed 40% of the amount of the lender's equity.

Note 6: The amounts of highest balance and ending balance during the period were approved by the board of directors.

**(ii) Guarantees and endorsements for other parties:**

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in mainland China
		Name	Relationship with the Company										
0	The Company	Commend HD	2	8,302,522	132,620	125,520	-	-	3.77 %	13,284,036	Y	N	N
0	"	Commend HK	2	8,302,522	165,775	156,900	4,267	-	4.72 %	13,284,036	Y	N	N
0	"	Yuguang Energy	2	8,302,522	146,800	146,800	105,900	-	4.42 %	13,284,036	Y	N	N
0	"	Tuosen Energy	2	8,302,522	125,000	125,000	87,534	-	3.76 %	13,284,036	Y	N	N
1	HIC	SHB	2	1,525,500	50,000	50,000	-	Commercial paper 50,000	1.64 %	1,525,500	Y	N	N
1	"	HCH	2	1,525,500	120,000	120,000	103,044	Commercial paper 120,000	3.93 %	1,525,500	Y	N	N

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

Note 1: Relationship with the Company:

1. Ordinary business relationship.
2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.
3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.
4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

Note 2: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 400% of the Company's equity; The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 250% of the Company's equity.

The total amount for guarantees and endorsements provided by HIC to other entities shall not exceed 50% of HIC equity; The amount for guarantees and endorsements provided by HIC to any individual entity shall not exceed 50% of HIC equity.

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
SHI	Fuh Hwa Emerg Mkt RMB Short-Term Inc.	—	Current financial assets at fair value through profit or loss	387,000	5,490	- %	5,490	
"	SinoPac Global Multi Income Fund	—	Current financial assets at fair value through profit or loss	1,000,000	12,569	- %	12,569	
The Company	TXOne Networks Inc.	—	Current financial assets at fair value through profit or loss	1,000,000	175,511	1.46 %	235,634	
"	Taishin Financial Holding Co., Ltd. Class I Preferred Shares	-	Current financial assets at fair value through profit or loss	3,667,639	33,008	- %	34,219	
	Subtotal				226,578			
	Valuation adjustment				61,334			
	Total				287,912		287,912	
The Company	Andra Capital Fund LP		Non-current financial assets at fair value through profit or loss	-	119,628	- %	120,530	
	Subtotal			-	119,628			
	Valuation adjustment			-	902			
	Total			-	120,530		120,530	
The Company	Center Laboratories, Inc. / Stock	—	Current financial assets at fair value through other comprehensive income	1,050,692	46,270	0.14 %	43,709	
"	DV Biomed Co., Ltd. / Stock	—	Current financial assets at fair value through other comprehensive income	513,022	16,566	2.11 %	30,089	
"	Axman Enterprise Co., Ltd. / Stock	—	Current financial assets at fair value through other comprehensive income	1,405,333	61,123	4.02 %	24,031	
	Subtotal				123,959			
	Valuation adjustment				(26,130)			
	Total				97,829		97,829	
"	TS Financial Holding Co., Ltd / Stock	—	Non-current financial assets at fair value through other comprehensive income	9,583,737	156,215	0.03 %	195,508	
"	J&V Energy Technology Co., Ltd. / Stock	—	Non-current financial assets at fair value through other comprehensive income	900,000	61,200	0.65 %	82,260	
"	Julien's International Entertainment Group / Stock	—	Non-current financial assets at fair value through other comprehensive income	2,000,000	60,000	4.27 %	69,460	
"	Greenet Co., Ltd. / Stock	—	Non-current financial assets at fair value through other comprehensive income	9,902	792	0.07 %	1,520	
	Subtotal				278,207		348,748	
	Valuation adjustment				70,541			
	Total				348,748			

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	San Quan construction Ltd.	—	Non-current financial assets at fair value through other comprehensive income	1,200,000	12,000	- %	-	
"	Teletronics International Inc.	—	Non-current financial assets at fair value through other comprehensive income	740,600	27,855	- %	-	
"	Power World Fund, Inc.	—	Non-current financial assets at fair value through other comprehensive income	304,760	3,048	5.68 %	3,333	
"	Aerovision Avionics Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,656,000	14,400	4.36 %	23,760	
"	Acradia Design Systems Inc.	—	Non-current financial assets at fair value through other comprehensive income	150,000	23,034	- %	-	
"	China Yes Infor Media (Cayman) Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,000,000	6,361	- %	-	
"	Universal EC Inc.	—	Non-current financial assets at fair value through other comprehensive income	598,062	17,299	1.20 %	22,780	
"	Tungya Collins Ltd.	—	Non-current financial assets at fair value through other comprehensive income	2,000	83,057	25.00 %	85,130	
"	PT. TUNGYA Perkasa Freight Forwarding	—	Non-current financial assets at fair value through other comprehensive income	1,250,000	2,940	12.50 %	8,834	
"	Leadsun Investment	—	Non-current financial assets at fair value through other comprehensive income	787,500	5,577	7.50 %	5,864	
"	Viscovery Pte Ltd	—	Non-current financial assets at fair value through other comprehensive income	1,833,333	19,882	6.34 %	2,189	
"	Uniconn Interconnections Technology Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	3,298,006	58,526	5.71 %	-	
"	Taiwan Depository & Clearing Corporation	—	Non-current financial assets at fair value through other comprehensive income	2,320	268	- %	367	
"	Jing Chi Biomed Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	795,348	30,305	2.08 %	25,685	
"	Great Formosa Healthcare	—	Non-current financial assets at fair value through other comprehensive income	1,428,750	13,325	9.53 %	12,544	
"	ANIMA INC.	—	Non-current financial assets at fair value through other comprehensive income	625,000	14,878	5.00 %	9,379	
"	KIRABASE Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	600,000	18,000	17.65 %	23,464	
	Subtotal				350,755		223,329	
	Valuation adjustment				(127,426)			
	Total				223,329			
HI- Clearance Inc.	Taiwan Depository & Clearing Corporation	—	Non-current financial assets at fair value through other comprehensive income	2,320	268	- %	268	
"	EPED Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,406,000	45,000	4.87 %	7,355	
Taicha	Shenshang Technologies Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	-	-	6.20 %	-	
	Subtotal				45,268		7,623	
	Valuation adjustment				(37,645)			
	Total				7,623			
	Total				579,700		579,700	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (b) Information on investees:

The following is the information on investees for the year ended December 31, 2025 (excluding information on investees in mainland China):

(In thousands of NTD / USD / HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	CICL	USA	Trade	21,082	21,082	5,000	100.00 %	3,017	(229)	(229)	Subsidiary
"	Collins BVI	BVI	Investment activities	36,024	36,024	1,159	100.00 %	66,901	141	141	"
"	Q.C.L.	Canada	Trade	5,607	5,607	80	78.26 %	336,171	80,587	63,067	"
"	HIC	New Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	244,180	244,180	2,385,536	5.36 %	230,240	368,510	14,775	"
"	Xing Chang	New Taipei	Investment activities	832,440	832,440	10,398,000	100.00 %	828,236	41,103	41,103	"
"	Growtrend	Hsinchu	Medical equipment wholesale and retail	76,288	76,288	7,497,840	52.08 %	12,109	(16,128)	(8,451)	"
"	COLLTEX HK	Hong Kong	Trade	59,971	59,971	2,000,000	100.00 %	110,016	51,238	51,238	"
"	Jesco International	New Taipei	Manpower dispatch	30,030	30,030	2,000,000	100.00 %	26,382	1,420	1,420	"
"	Minoshin International	Taipei	Trade	121,000	121,000	7,658,011	67.71 %	114,292	(36,584)	(24,770)	"
"	Yuguang Energy	New Taipei	Energy technical services	48,180	48,180	4,368,000	78.00 %	30,076	(14,257)	(11,180)	"
"	Collins Energy Solutions	Taipei	Energy technical services	171,229	171,229	17,085,000	51.00 %	156,807	(27,554)	(14,053)	"
"	Collins Jubilee Energy and Technology	New Taipei	Energy technical services	70	700	7,000	70.00 %	15	(65)	(45)	"
"	Sanho Healthcare	Chiayi	Medical service	59,960	81,280	3,747,742	10.58 %	61,731	(49,476)	(6,827)	Associate
"	QS Control	New Taipei	Medical equipment and auto parts	16,830	16,830	1,100,000	3.67 %	23,059	32,368	1,187	"
"	Asia Logistics	Taipei	Transportation business	22,520	22,520	2,000,000	10.00 %	20,238	1,199	96	"
"	Easting Biotechnology	New Taipei	Medical product manufacturing	74,466	74,466	1,145,810	26.22 %	5,430	1,440	377	"
"	HEXAI Group Limited	Hong Kong	Cross-border E-commerce	29,359	-	351,220	24.00 %	29,356	(178)	(31)	"
				1,849,236	1,841,827			2,054,076		107,818	
Collins Energy Solutions	CEsone	Taipei	Energy technical services	3,000	3,000	300,000	100.00 %	2,756	(61)	(61)	Subsidiary
"	Tuosen Energy	Taipei	Energy technical services	60,000	60,000	6,000,000	100.00 %	47,793	(6,040)	(6,040)	"
"	De Rui Technology	Taipei	Energy technical services	11,000	11,000	1,250,000	78.13 %	(2,436)	(7,364)	(5,753)	"
"	Wincharge Technology	Taipei	Charging piles management system	56,241	56,241	2,051,840	33.75 %	81,323	(1,266)	(509)	"
"	Puden Solar Energy	Taipei	Solar energy system engineering	20	20	756,031	100.00 %	2,604	(1,380)	(1,380)	"
"	Japan Collins Energy Solutions	Japan	Energy technical services	2,073	-	990	100.00 %	1,806	(172)	(172)	"
	Kailan Energy	New Taipei	Energy technical services	135,000	135,000	13,500,000	15.00 %	131,998	(18,260)	(3,385)	Associate
				267,334	265,261			265,844		(17,300)	
Wincharge Technology	Connergy Technology	Taipei	Charging piles management system	999	999	99,999	99.99 %	1,037	28	28	Subsidiary
"	Japan Wincharge Technology	Japan	Energy technical services	2,075	-	990	100.00 %	1,848	(127)	(127)	"
				3,074	999			2,885		(99)	
Collins BVI	Commend HD	Hong Kong	Trade	HKD 10	HKD 10	10,000	100.00 %	55,213	(1,059)	(1,059)	"
								USD 1,759	USD (34)	USD (34)	
Commend HD	Commend HK	Hong Kong	Trade	HKD 500	HKD 500	500,000	100.00 %	4,984	(559)	(559)	"
								USD 159	USD (18)	USD (18)	
Xing Chang	HIC (Note 2)	New Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	171,813	171,813	6,519,991	14.64 %	815,307	368,510	39,580	"
Minoshin International	LDR Co., Ltd.	Taipei	Food and beverage Industry	100	-	10,000	100.00 %	(4,972)	(5,072)	(5,072)	"

Note 1: The profit and loss on investments recognized by the company in the current period already includes the profit and loss on investments of subsidiary.

Note 2: For information on investees (excluding investees in mainland china) of HIC, please refer to HIC's consolidated financial statements (Stock Code : 1788) note 13(b).

(Continued)

**COLLINS CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

## (c) Information on investment in mainland China:

## (i) The names of investees in mainland China, the main businesses and products, and other information:

(In thousands of NTD/USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of December 31, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
GLGK	Design, scientific research, and economic information consultation of trade business products	28,242 (USD900)	(Note 3)	28,242 (USD900)	-	-	28,242 (USD900)	1,759 (USD56) (Note 1)	100.00%	1,759 (USD56) (Note 1)	27,597 (USD879) (Note 1)	-

Note 1: It is recognized by the equity method based on the financial report of the investee company signed by an accountant during the same period.

Note 2: For the mainland investment information of HIC please refer to note 13(c) of the financial report of HIC (stock code: 1788).

Note 3: Invest in GLGK through Commend holdings Limited .

## (ii) Limitation on investment in mainland China:

(In thousands of NTD/USD)

Accumulated Investment in mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
28,242 (USD900)	28,242 (USD900)	3,935,953

Note 1: December 31, 2025 USD: TWD= 1: 31.38.

## (iii) Significant transactions:

The Company is engaged in triangle trading through Commend HD and its subsidiary in mainland China, and pays the service fee \$15,873 to Commend HD thereof.

**(14) Segment information:**

Please refer to the consolidated financial statements for the year ended December 31, 2025.

**Collins Co., Ltd.**  
**Statement of cash and cash equivalents**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
		\$ 21
Cash on hand		<u>1,286</u>
	Subtotal	<u>1,307</u>
Cash in Bank		
Checking deposits		26,599
Foreign currency deposits	(USD618,798.59, Ending rate 1: 31.38)	19,418
Demand deposits		27,538
Postal deposits		<u>984</u>
	Subtotal	<u>74,539</u>
Total		<u><u>\$ 75,846</u></u>

**Collins Co., Ltd.**

**Statement of financial assets measured at fair value through profit or loss - current**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Name of financial instrument</u>	<u>Description</u>	<u>Shares (In thousands)</u>	<u>Par value (NT\$)</u>	<u>Total amount</u>	<u>Acquisition cost</u>	<u>Valuation gain or loss</u>	<u>Fair value</u>		<u>Note</u>
							<u>Unit price (NTD)</u>	<u>Total amount</u>	
Stock:									
TXOne Networks Inc.		1,000,000	\$ 10	10,000	175,511	60,124	235.63	235,634	None
Taishin Financial Holding Co., Ltd. class I Preferred Shares		3,667,639	10	36,676	33,008	1,210	9.33	34,219	"
				<u>\$ 46,676</u>	<u>208,519</u>	<u>61,334</u>		<u>269,853</u>	

## Collins Co., Ltd.

## Statement of changes in financial assets measured at fair value through profit or loss - non-current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Addition		Decrease		Reclassification		Ending balance		Collateral
	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	
Andra Capital Fund LP	-	\$ -	-	119,628	-	-	-	-	-	119,628	None
Add: Valuation adjustment		-		902		-		-		902	
		<u>\$ -</u>		<u>120,530</u>		<u>-</u>		<u>-</u>		<u>120,530</u>	

**Collins Co., Ltd.**

**Statement of financial assets measured at fair value through other comprehensive income - current**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Name of financial instrument</u>	<u>Description</u>	<u>Shares</u>	<u>Par value (NT\$)</u>	<u>Total amount</u>	<u>Book value</u>	<u>valuation gain or loss</u>	<u>Fair value</u>		<u>Note</u>
							<u>Unit price (NTD)</u>	<u>Total amount</u>	
Stock:									
Center Laboratories Inc.		1,050,692	\$ 10	\$ 10,507	46,270	(2,561)	14.60	43,709	None
DV Biomed Co., Ltd.		513,022	10	5,130	16,566	13,523	58.65	30,089	"
Axman Enterprise Co., Ltd.		1,405,333	10	14,053	61,123	(37,092)	17.10	24,031	"
				<u>\$ 29,690</u>	<u>123,959</u>	<u>(26,130)</u>		<u>97,829</u>	

## Collins Co., Ltd.

## Statement of financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Addition		Decrease		Reclassification		Ending balance		Collateral
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value	
Capital Securities Corporation	1,373,225	\$ 15,678	-	-	1,373,225	15,678	-	-	-	-	None
TS Financial Holding Co., Ltd.	-	-	14,083,737	229,565	4,500,000	73,350	-	-	9,583,737	156,215	"
Shin Kong Financial Holding Co., Ltd.	20,957,942	238,903	-	-	20,957,942	238,903	-	-	-	-	"
Julien's International Entertainment	2,000,000	60,000	-	-	-	-	-	-	2,000,000	60,000	"
J&V Energy Technology Co., Ltd.	900,000	61,200	-	-	-	-	-	-	900,000	61,200	"
Taiwan Bio Therapeutics Co., Ltd.	1,750,000	31,579	-	-	1,750,000	31,579	-	-	-	-	"
Greenet Co., Ltd.	-	-	9,902	792	-	-	-	-	9,902	792	"
Add: Valuation adjustment		176,626		-		106,085		-		70,541	
		<u>583,986</u>		<u>230,357</u>		<u>465,595</u>		<u>-</u>		<u>348,748</u>	
San Quan construction Ltd.	1,200,000	12,000	-	-	-	-	-	-	1,200,000	12,000	None
Teletronics International Inc.	740,600	27,855	-	-	-	-	-	-	740,600	27,855	"
A.D.S.INC	150,000	23,034	-	-	-	-	-	-	150,000	23,034	"
Powr World Fund Inc.	304,760	3,048	-	-	-	-	-	-	304,760	3,048	"
Acrovision Avionics Inc.	1,656,000	14,400	-	-	-	-	-	-	1,656,000	14,400	"
Leadsun Investment	787,500	5,577	-	-	-	-	-	-	787,500	5,577	"
China Yes Infor Media (Cayman) Inc.	1,000,000	6,361	-	-	-	-	-	-	1,000,000	6,361	"
Jing Chi Biomed Co.,Ltd.	824,997	31,434	-	-	29,649	1,129	-	-	795,348	30,305	"
HEXAI GROUP LIMITED	263,415	19,647	-	-	263,415	19,647	-	-	-	-	"
Universal EC Inc.	598,062	17,299	-	-	-	-	-	-	598,062	17,299	"
Tungya Collins Ltd.	2,000	83,057	-	-	-	-	-	-	2,000	83,057	"
PT. TUNGYA Perkasa Freight Forwarding	1,250,000	2,940	-	-	-	-	-	-	1,250,000	2,940	"
CNC Distressed	576	1,895	-	-	576	1,895	-	-	-	-	"
VISCOVERY	500,000	13,986	1,333,333	5,896	-	-	-	-	1,833,333	19,882	"
Uniconn Interconnections Technology Co., Ltd.	3,298,006	58,526	-	-	-	-	-	-	3,298,006	58,526	"
Taiwan Depository & Clearing Corporation	1,785	268	535	-	-	-	-	-	2,320	268	"
ANIMA INC.	-	-	625,000	14,878	-	-	-	-	625,000	14,878	"
Great Formosa Healthcare	-	-	1,428,750	13,325	-	-	-	-	1,428,750	13,325	"
KIRABASE Co., Ltd.	-	-	600,000	18,000	-	-	-	-	600,000	18,000	"
Add: Valuation adjustment		(57,631)		-		69,795		-		(127,426)	
Subtotal		<u>263,696</u>		<u>52,099</u>		<u>92,466</u>		<u>-</u>		<u>223,329</u>	
Total		<u>\$ 847,682</u>		<u>282,456</u>		<u>558,061</u>		<u>-</u>		<u>572,077</u>	

**Collins Co., Ltd.**  
**Statement of notes receivable**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Company J		\$ 3	
Less: Loss allowance		<u>-</u>	
Total		<u><u>\$ 3</u></u>	

## Collins Co., Ltd.

## Statement of accounts receivables

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Accounts receivable-non related parties			
Company T		\$ 88,864	
Company S		42,369	
Others (the individual account does not exceed 5% of accounts receivable)		<u>116,642</u>	
Subtotal		247,875	
Less: Loss allowance		<u>(8,100)</u>	
		<u><u>\$ 239,775</u></u>	

## Statement of inventories

<u>Item</u>	<u>Description</u>	<u>Amount</u>		<u>Note</u>
		<u>Cost</u>	<u>Net realizable value</u>	
Merchandise and Boutique		\$ 305,761	442,307	Market value is measured by net realizable value
Materials		<u>881</u>	<u>881</u>	
Subtotal		<u>306,642</u>	<u><u>443,188</u></u>	
Less: Loss allowance		<u>(25,996)</u>		
		<u><u>\$ 280,646</u></u>		

**Collins Co., Ltd.**

**Statement of other current assets**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Prepayments for purchase		\$ 8,368	
Prepayments		12,655	
Others (the individual account does not exceed 5% of the account balance)		<u>702</u>	
		<u><u>\$ 21,725</u></u>	

**Other current financial assets**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Other receivables		<u><u>\$ 30,664</u></u>	

## Collins Co., Ltd.

## Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Addition		Decrease		Investment gains (losses)	Ending balance			Market Value or Net Assets Value		
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount		Shares or units	Percentage of ownership	Amount	Unit price (NT\$)	Amount	Collateral
Valuation by using the equity method:													
CICL	5,000	\$ 3,387	-	-	-	(141)	(229)	5,000	100.00 %	3,017	603.38	3,017	None
Collins BVI	1,159	68,633	-	-	-	(1,873)	141	1,159	100.00 %	66,901	57,723.17	66,901	"
Q.C.L.	80	321,145	-	-	-	(48,041)	63,067	80	78.26 %	336,171	4,202,140.43	336,171	"
HIC (directly owned 5.36%)	2,385,536	232,581	-	-	-	(17,116)	14,775	2,385,536	5.36 %	230,240	136.50	325,626	"
HIC (indirectly owned 14.64%)	6,519,991	822,507	-	-	-	(46,780)	39,580	6,519,991	14.64 %	815,307	136.50	889,979	"
Xing Chang	10,398,000	12,557	-	-	-	(1,151)	1,523	10,398,000	100.00 %	12,929	1.24	12,929	"
Growtrend	7,497,840	16,863	-	3,697	-	-	(8,451)	7,497,840	52.08 %	12,109	1.62	12,109	"
Colltex HK	2,000,000	97,002	-	-	-	(38,224)	51,238	2,000,000	100.00 %	110,016	55.01	110,016	"
Yuguang Energy	4,368,000	41,256	-	-	-	-	(11,180)	4,368,000	78.00 %	30,076	6.89	30,076	"
Minoshin International	6,489,840	160,154	1,168,171	-	-	(21,092)	(24,770)	7,658,011	67.71 %	114,292	14.92	114,292	"
Jesco International	2,000,000	24,962	-	-	-	-	1,420	2,000,000	100.00 %	26,382	13.19	26,382	"
Collins Energy Solutions	17,085,000	170,925	-	-	-	(65)	(14,053)	17,085,000	51.00 %	156,807	9.18	156,807	"
Collins Jubilee Energy and Technology	70,000	690	-	-	(63,000)	(630)	(45)	7,000	70.00 %	15	2.12	15	"
Easting Biotechnology	1,145,810	5,026	-	27	-	-	377	1,145,810	26.22 %	5,430	4.74	5,430	"
Aisa Logistics	2,000,000	20,142	-	-	-	-	96	2,000,000	10.00 %	20,238	10.12	20,238	"
Sanho Healthcare	5,080,000	81,883	-	-	(1,332,528)	(13,325)	(6,827)	3,747,472	10.58 %	61,731	16.47	61,731	"
QS Control	1,100,000	21,872	-	-	-	-	1,187	1,100,000	3.67 %	23,059	20.96	23,059	"
HEXAI GROUP LIMITED	-	-	351,220	29,387	-	-	(31)	351,220	24.00 %	29,356	13.83	4,858	"
		<u>\$ 2,101,585</u>		<u>33,111</u>		<u>(188,438)</u>	<u>107,818</u>			<u>2,054,076</u>		<u>2,199,636</u>	

## Collins Co., Ltd.

## Statement of other non-current assets

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Prepayment for investments		\$ 30,297	
Guarantee deposits paid		17,109	
Restricted deposits-Dedicated trust account		118,860	
Overdue receivables		119,266	
Less: Loss allowance		<u>(119,266)</u>	
		<u>\$ 166,266</u>	

## Statement of short-term loans

<u>Type</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Credit lines (Note1)</u>	<u>Collateral</u>	<u>Note</u>
Credit loan	Yuanta Bank	\$ 240,000	2025/12/24~2026/03/24	1.83%	300,000	None	
"	Bank of Taiwan	50,000	2025/07/22~2026/03/18	1.85%	200,000	"	
"	CTBC Bank	50,000	2025/10/17~2026/01/16	1.80%	250,000	"	
"	Maga Bank	110,000	2025/11/03~2026/01/30	1.82%	110,000	"	
"	First Bank	<u>45,000</u>	2025/11/04~2026/02/04	1.83%	<u>300,000</u>	"	
		<u>\$ 495,000</u>			<u>1,160,000</u>		

Note1: The Company has contracted unused credit lines additionally of \$2,084,057.

**Collins Co., Ltd.**

**Statement of long-term loans**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Type</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Credit lines</u>	<u>Collateral</u>	<u>Note</u>
Secured loan	First Bank	\$ 378,857	2022/10/12~2042/10/12	1.98%	378,857	Yes	
Secured loan	Hua Nan Bank	145,085	2024/12/13~2029/12/13	2.55%	967,228	Yes	
Secured loan	Bank SinoPac	600,000	2025/11/26~2027/12/05	2.07%~ 2.12%	1,000,000	Yes	
Credit loan	Taipei Fubon Bank	160,000	2025/12/03~2027/06/30	2.46%	240,000	None	
Credit loan	CTBC Bank	150,000	2025/12/12~2027/12/12	2.38%	250,000	None	
Less: current portion		(22,286)			-		
		<u>\$ 1,411,656</u>			<u>2,836,085</u>		

**Collins Co., Ltd.**

**Statement of financial liabilities measured at fair value through profit or loss - non-current**

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

**(Expressed in thousands of New Taiwan Dollars)**

<u>Name of financial instrument</u>	<u>Description</u>	<u>Shares or units</u>	<u>Unit cost (NT\$)</u>	<u>Original cost</u>	<u>Rate</u>	<u>Fair value</u>		<u>Changes in the fair value that is attributable to changes in credit risk</u>	<u>Note</u>	
						<u>Unit price (in dollars)</u>	<u>Total amount</u>			
Convertible bonds with embedded derivatives	Hybrid contracts	4,600	\$ 1,340	<u>6,164</u>	-	%	1,340	<u>6,164</u>	<u>-</u>	

**Collins Co., Ltd.**

**Statement of bonds payable**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Name of bonds</u>	<u>Trustee organization</u>	<u>Issue date</u>	<u>Amount</u>					<u>Note</u>	
			<u>Total issue</u>	<u>Repayment</u>	<u>Ending balance</u>	<u>Unamortized discounted amount</u>	<u>Book value</u>		<u>Book value</u>
The first unsecured domestic convertible bonds	MasterLink Securities	2025.9.26	\$ 460,000	-	460,000	-	(11,947)	448,053	

**Collins Co., Ltd.**

**Statement of accounts payable**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Vendor name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Accounts payable (the is no individual vendor exceed 5% of the account balance)		\$ <b>49,101</b>	

**Statement of other payables**

<b>Item</b>	<b>Amount</b>
Commissions payable	\$ 21,466
Bonuses payable	35,507
Professional Service Fees payable	3,302
Others (The individual account does not exceed 5% of the account balance)	29,751
	\$ <b>90,026</b>

## Collins Co., Ltd.

## Statement of other current liabilities

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Guarantee deposits received - current		\$ 5,109	
Receipts under custody		4,772	
Temporary receipts		1,283	
Others (the individual account does not exceed 5% of the account balance)		<u>3,608</u>	
		<u>\$ 14,772</u>	

## Statement of lease liabilities

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Note</u>
Buildings and structures	Retail stores	2023.06.01~2030.03.01	1.8~2.16	\$ 42,067	
Transportation equipments	Vehicles	2024.02.01~2027.01.01	1.8~1.82	<u>1,119</u>	
Subtotal				43,186	
Less: current portion				<u>(30,178)</u>	
Total				<u>\$ 13,008</u>	

**Collins Co., Ltd.**

**Statement of other non-current liabilities**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Net defined benefit liabilities		<b>\$ <u>23,617</u></b>	

**Guarantee deposits received**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Guarantee deposits received	Guarantees	<b>\$ <u>662</u></b>	

**Collins Co., Ltd.**  
**Statement of operating revenue**  
**For the year ended December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Trading		\$ 644,297	
Apparel		564,860	
Catering		<u>94,568</u>	
Subtotal		1,303,725	
Less: Sales returns and discount		<u>(90,941)</u>	
		<u><u>\$ 1,212,784</u></u>	

**Statement of operating costs**

<u>Item</u>	<u>Amount</u>
Beginning balance of inventories (excluding the provision on valuation of inventories)	\$ 305,149
Add: Purchases	767,531
Less: Purchase returns and allowances	3
Losses on inventory count	192
Ending balance of inventories (excluding the provision on valuation of inventories)	<u>306,642</u>
Costs of purchases and sales	765,843
Add: Losses on inventory count	192
Losses (Gains) on valuation of inventories	<u>(11,816)</u>
Operating costs	<u><u>\$ 754,219</u></u>

**Collins Co., Ltd.**

**Statement of selling expenses**

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

**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary and wage expenses		\$ 60,838	
Depreciation expenses		67,431	
Export expenses		31,790	
Professional service fees		70,189	
Commissions		20,098	
Others (Each amounts is less than 5% of selling expenses)		<u>124,983</u>	
		<u><u>\$ 375,329</u></u>	

**Statement of administrative expenses**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary and wage expenses		\$ 86,089	
Depreciation expenses		15,971	
Insurance expenses		9,643	
Others (Each amounts is less than 5% of administrative expenses)		<u>60,390</u>	
		<u><u>\$ 172,093</u></u>	

Statement of accounts receivables from related parties was disclosed in note 7

Statement of other receivables from related parties was disclosed in note 7

Statement of other payables from related parties was disclosed in note 7

Statement of changes in property, plant and equipment was disclosed in note 6(g)

Statement of changes in right-of-use assets was disclosed in note 6(h)

Statement of changes in intangible assets was disclosed in note 6(i)

Statement of contract liabilities was disclosed in note 6(q)

Statement of deferred tax assets and liabilities was disclosed in note 6(n)

Statement of other income was disclosed in note 6(s)

Statement of other gains and losses was disclosed in note 6(s)

Statement of finance costs was disclosed in note 6(s)