

COLLINS CO., LTD. AND SUBSIDIARIES**Consolidated 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 consolidated 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 consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Collins Co., Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Collins Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Collins Co., Ltd.
Chairman: Chung Liang, Lee
Date: March 10, 2026.



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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(o) “Revenue recognition” for accounting policy and note 6(u) “Revenue from contracts with customers” for further information.

Description of key audit matter:

The sales of products from the Group 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.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
COLLINS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024			December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets						Liabilities and Equity			
Current assets:						Current liabilities:			
1100 Cash and cash equivalents (note 6(a))	\$ 960,450	7	796,031	6	2100 Short-term loans (notes 6(m), 8 and 9)	\$ 1,843,103	14	1,340,554	10
1136 Current financial assets at amortized cost, net (note 6(a))	2,400	-	2,400	-	2120 Current financial liabilities at fair value through profit or loss (notes 6(b) and (n))	6,164	-	11,239	-
1110 Current financial assets at fair value through profit or loss (note 6(b))	288,021	2	187,899	1	2130 Current contract liabilities (note 6(u))	164,663	1	40,691	-
1120 Current financial assets at fair value through other comprehensive income (note 6(c))	97,829	1	113,153	1	2150 Notes payable (note 7)	13,456	-	6,730	-
1140 Current contract assets (note 6(u))	81,989	1	-	-	2170 Accounts payable	906,969	7	1,006,961	8
1150 Notes receivable, net (note 6(d))	199,583	2	184,850	1	2200 Other payables (notes 6(v) and 7)	377,396	3	388,176	3
1170 Account receivable, net (notes 6(d), 7 and 8)	1,734,590	13	1,822,651	14	2230 Current income tax liabilities	74,394	1	79,030	1
1175 Lease receivables (note 6(d))	37,554	-	36,133	-	2280 Current lease liabilities (note 6(o))	133,994	1	145,506	1
1220 Current income tax assets	3,119	-	1,574	-	2300 Other current liabilities	73,032	1	84,376	1
130X Inventories (notes 6(e) and 8)	1,716,955	13	1,683,810	13	2321 Bonds payable, current portion (note 6(n))	448,053	3	938,786	7
1410 Prepayments (note 7)	175,517	1	125,376	1	2322 Long-term loans, current portion (notes 6(m), 8 and 9)	117,536	1	24,775	-
1476 Other current financial assets (note 8)	177,568	1	134,917	1		<u>4,158,760</u>	<u>32</u>	<u>4,066,824</u>	<u>31</u>
1479 Other current assets	62,935	-	59,219	-					
Total current assets	<u>5,538,510</u>	<u>41</u>	<u>5,148,013</u>	<u>38</u>					
Non-current assets :						Non-Current liabilities:			
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	120,530	1	-	-	2540 Long-term loans (notes 6(m), 8 and 9)	1,610,690	12	1,249,188	10
1517 Non-current financial assets at fair value through other comprehensive income (note 6(b))	579,700	4	859,692	7	2527 Non-current contract liabilities (note 6(u))	23,827	-	26,922	-
1550 Investments accounted for using equity method (note 6(f))	401,986	3	388,141	3	2570 Deferred income tax liabilities (note 6(r))	134,314	1	129,974	1
1600 Property, plant and equipment (notes 6(i), 7, 8 and 9)	4,138,644	32	4,216,988	33	2580 Non-current lease liabilities (note 6(o))	566,677	4	657,652	5
1755 Right-of-use assets (note 6(j))	662,627	5	767,437	6	2645 Guarantee deposits received	770	-	2,256	-
1760 Investment property (note 6(k))	26,082	-	26,092	-	2600 Other non-current liabilities (note 6(q))	44,345	-	48,990	-
1780 Intangible assets (note 6(l))	1,131,998	9	1,127,852	9		<u>2,380,623</u>	<u>17</u>	<u>2,114,982</u>	<u>16</u>
1840 Deferred income tax assets (note 6(r))	87,241	1	81,980	1		<u>6,539,383</u>	<u>49</u>	<u>6,181,806</u>	<u>47</u>
1920 Guarantee deposits paid	103,589	1	105,152	1					
1931 Long-term notes receivables (note 6(d))	9,699	-	10,011	-		Equity attributable to owners of parent (notes 6(c), (f), (n), (q) and (s)) :			
1935 Long-term lease receivables (note 6(d))	99,177	1	109,945	1	3110 Ordinary shares	2,091,167	16	2,091,167	16
1990 Other non-current assets (notes 6(d) and 8)	199,522	2	118,264	1	3200 Capital surplus	294,047	2	290,349	2
Total non-current assets	<u>7,560,795</u>	<u>59</u>	<u>7,811,554</u>	<u>62</u>		Retained earnings :			
					3310 Legal reserve	677,094	5	662,432	5
					3320 Special reserve	220,615	2	220,615	2
					3350 Unappropriated retained earnings	206,287	2	164,352	1
						<u>1,103,996</u>	<u>9</u>	<u>1,047,399</u>	<u>8</u>
						Total retained earnings			
						Other equity interest :			
					3410 Exchange differences on translation of foreign financial statements	(62,208)	-	(42,937)	-
					3420 Unrealized gain or loss on financial assets at fair value through other comprehensive income	(105,993)	(1)	86,088	1
						<u>(168,201)</u>	<u>(1)</u>	<u>43,151</u>	<u>1</u>
						Total equity attributable to owners of parent:			
					36XX Non-controlling interests (notes 6(g), (h) and (s))	3,321,009	26	3,472,066	27
						<u>3,238,913</u>	<u>25</u>	<u>3,305,695</u>	<u>26</u>
						Total equity			
						<u>6,559,922</u>	<u>51</u>	<u>6,777,761</u>	<u>53</u>
Total assets	<u>\$ 13,099,305</u>	<u>100</u>	<u>12,959,567</u>	<u>100</u>		Total liabilities and equity			
						<u>\$ 13,099,305</u>	<u>100</u>	<u>12,959,567</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
COLLINS CO., LTD. AND SUBSIDIARIES
Consolidated 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)

	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Operating revenues (notes 6(o), (p), (u) and 7)	\$ 8,878,736	100	8,873,685	100
5000 Operating costs (notes 6(e), (i), (j), (o), (q), 7 and 12)	<u>6,263,058</u>	<u>71</u>	<u>6,274,980</u>	<u>70</u>
5900 Gross profit from operations	<u>2,615,678</u>	<u>29</u>	<u>2,598,705</u>	<u>30</u>
6000 Operating expenses (notes 6(d), (g), (i), (j), (k), (l), (o), (q), (v), 7 and 12):				
6100 Selling expenses	1,275,944	14	1,195,386	13
6200 Administrative expenses	990,681	11	954,721	11
6450 Expected credit loss (reversed)	<u>(1,693)</u>	<u>-</u>	<u>(4,268)</u>	<u>-</u>
Total operating expenses	<u>2,264,932</u>	<u>25</u>	<u>2,145,839</u>	<u>24</u>
6900 Net operating income	<u>350,746</u>	<u>4</u>	<u>452,866</u>	<u>6</u>
7000 Non-operating income and expenses (notes 6(f), (g), (i), (n), (o), (w) and 7):				
7010 Other income	116,604	1	103,532	1
7020 Other gains and losses	60,511	1	30,360	-
7050 Finance cost	(103,012)	(1)	(101,772)	(1)
7060 Share of profit or loss of associates accounted for using equity method	2,911	-	99	-
7100 Interest income	<u>14,684</u>	<u>-</u>	<u>12,446</u>	<u>-</u>
Total non-operating income and expenses	<u>91,698</u>	<u>1</u>	<u>44,665</u>	<u>-</u>
7900 Profit before income tax	442,444	5	497,531	6
7950 Less: income tax expenses (note 6(r))	<u>135,434</u>	<u>2</u>	<u>151,600</u>	<u>2</u>
Profit	<u>307,010</u>	<u>3</u>	<u>345,931</u>	<u>4</u>
8300 Other comprehensive income (notes 6(f), (q) and (s)):				
8310 Items that may not be reclassified subsequently to profit or loss:				
8311 Gains (losses) on remeasurements of defined benefit plans	293	-	4,366	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(112,220)	(1)	130,501	1
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>(111,927)</u>	<u>(1)</u>	<u>134,867</u>	<u>1</u>
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign financial statements	(25,558)	-	39,337	-
8370 Share of other comprehensive income of associates accounted for using equity method that will be reclassified to profit or loss	55	-	(18)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss	<u>(25,503)</u>	<u>-</u>	<u>39,319</u>	<u>-</u>
8300 Other comprehensive income	<u>(137,430)</u>	<u>(1)</u>	<u>174,186</u>	<u>1</u>
8500 Total comprehensive income	<u>\$ 169,580</u>	<u>2</u>	<u>520,117</u>	<u>5</u>
Profit attributable to:				
8610 Owners of parent	\$ 98,658	1	108,045	1
8620 Non-controlling interests	<u>208,352</u>	<u>2</u>	<u>237,886</u>	<u>3</u>
	<u>\$ 307,010</u>	<u>3</u>	<u>345,931</u>	<u>4</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ (29,286)	-	300,629	3
8720 Non-controlling interests	<u>198,866</u>	<u>2</u>	<u>219,488</u>	<u>2</u>
	<u>\$ 169,580</u>	<u>2</u>	<u>520,117</u>	<u>5</u>
9750 Basic earnings per share (New Taiwan dollars) (note 6(t))	<u>\$ 0.47</u>		<u>0.52</u>	
9850 Diluted earnings per share (New Taiwan dollars) (note 6(t))	<u>\$ 0.47</u>		<u>0.51</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	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 attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 2,091,111	270,771	649,052	220,615	156,582	1,026,249	(74,282)	(36,579)	(110,861)	3,277,270	3,234,263	6,511,533
Profit	-	-	-	-	108,045	108,045	-	-	-	108,045	237,886	345,931
Other comprehensive income	-	-	-	-	4,132	4,132	31,345	157,107	188,452	192,584	(18,398)	174,186
Total comprehensive income	-	-	-	-	112,177	112,177	31,345	157,107	188,452	300,629	219,488	520,117
Appropriation and distribution:												
Legal reserve	-	-	13,380	-	(13,380)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(125,467)	(125,467)	-	-	-	(125,467)	(271,870)	(397,337)
Conversion of convertible bonds	56	35	-	-	-	-	-	-	-	91	-	91
Changes in ownership interests in subsidiaries and associates	-	19,543	-	-	-	-	-	-	-	19,543	-	19,543
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	123,814	123,814
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,440	34,440	-	(34,440)	(34,440)	-	-	-
Balance at December 31, 2024	2,091,167	290,349	662,432	220,615	164,352	1,047,399	(42,937)	86,088	43,151	3,472,066	3,305,695	6,777,761
Profit	-	-	-	-	98,658	98,658	-	-	-	98,658	208,352	307,010
Other comprehensive income	-	-	-	-	38	38	(19,271)	(108,711)	(127,982)	(127,944)	(9,486)	(137,430)
Total comprehensive income	-	-	-	-	98,696	98,696	(19,271)	(108,711)	(127,982)	(29,286)	198,866	169,580
Appropriation and distribution:												
Legal reserve appropriated	-	-	14,662	-	(14,662)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(125,469)	(125,469)	-	-	-	(125,469)	(269,541)	(395,010)
Changes in ownership interests in subsidiaries and associates	-	3,698	-	-	-	-	-	-	-	3,698	-	3,698
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,893	3,893
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	83,370	83,370	-	(83,370)	(83,370)	-	-	-
Balance at December 31, 2025	\$ 2,091,167	294,047	677,094	220,615	206,287	1,103,996	(62,208)	(105,993)	(168,201)	3,321,009	3,238,913	6,559,922

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 442,444	497,531
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	382,283	363,759
Amortization expense	126,977	110,249
Expected credit loss (reversed)	(1,693)	(4,268)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(65,309)	5,689
Finance cost	103,012	101,772
Interest income	(14,684)	(12,446)
Dividend income	(55,166)	(29,744)
Share of profit or loss of associates accounted for using equity method	(2,911)	(99)
Loss on disposal of property, plant and equipment	1,376	9,055
Gain on disposal of investments	-	(26,961)
Gain on lease modification	(3,247)	(523)
Loss on bond redemption	12,578	-
Others	-	825
Total adjustments to reconcile profit	483,216	517,308
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	9,976	32,728
Contract assets	(81,989)	-
Notes receivable	(17,685)	46,654
Accounts receivable	96,165	(154,144)
Lease receivable	12,184	(10,763)
Inventories	(30,284)	(252,292)
Long-term notes receivable	315	(2,873)
Prepaid expenses	(50,141)	-
Other current assets	(3,534)	(808)
Other financial assets	(43,744)	(67,191)
Total changes in operating assets	(108,737)	(408,689)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	-	(20)
Contract liabilities	120,877	17,656
Notes payable	6,726	(834)
Notes payable to related parties	(99,992)	-
Accounts payable	-	118,526
Other payables	(13,981)	27,063
Other current liabilities	(13,072)	7,404
Other non-current liabilities	(3,326)	8,890
Net defined benefit liabilities	(1,281)	(1,493)
Total changes in operating liabilities	(4,049)	177,192
Total changes in operating assets and liabilities	(112,786)	(231,497)
Total adjustments	370,430	285,811
Cash inflow generated from operations	812,874	783,342
Interest received	14,684	12,446
Dividends received	-	34,018
Interest paid	(73,328)	(68,183)
Dividends paid	60,318	-
Income taxes paid	(142,935)	(133,747)
Net cash flows from operating activities	671,613	627,876
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(39,566)	(394,627)
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 financial assets at amortised cost	-	(2,400)
Acquisition of financial assets at fair value through profit or loss	(119,628)	-
Acquisition of investments accounted for using equity method	-	(135,000)
Net cash flow from acquisition of operating segments (net of cash acquired)	(76,799)	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	-	(197)
Acquisition of property, plant and equipment	(267,284)	(606,706)
Proceeds from disposal of property, plant and equipment	12,965	4,461
Increase in guarantee deposits paid	2,508	(23,665)
Acquisition of intangible assets	(46,567)	(18,552)
Decrease (increase) in other non-current assets	(20,872)	(42,843)
Advance payments for equipment	29,351	(39,649)
Net cash used in investing activities	(352,274)	(1,124,130)
Cash flows from (used in) financing activities:		
Proceeds from short-term loans	10,270,532	9,935,800
Repayments of short-term loans	(9,768,228)	(9,788,796)
Repurchase of corporate bonds	(550,752)	-
Proceeds from long-term loans	999,493	758,235
Repayments of long-term loans	(545,230)	(15,053)
Increase in guarantee deposits received	242	1,082
Payment of lease liabilities	(152,078)	(149,444)
Cash dividends paid	(125,469)	(125,467)
Dividends paid by subsidiary to non-controlling interest	(269,541)	(271,870)
Changes in non-controlling interest	7,591	74,115
Net cash flows from financing activities	(133,440)	418,602
Effect on exchange rate changes on cash and cash equivalents	(21,480)	39,870
Net (decrease) increase in cash and cash equivalents	164,419	(37,782)
Cash and cash equivalents at beginning of period	796,031	833,813
Cash and cash equivalents at end of period	\$ 960,450	796,031

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
COLLINS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated 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 and its subsidiaries hereinafter, jointly referred to as the (“Group”) mainly engaged in import and export trading, clothing retail, energy technology, leasing, medical equipment, biochemical testing, medicine trading, medical management consulting services, catering and investment.

(2) Approval date and procedures of the consolidated financial statements

These consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group 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 consolidated 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”

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated 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 Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
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"> ● 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. ● 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. ● 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. 	January 1, 2027 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.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group 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 consolidated 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 consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated 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”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated 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 (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(q).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding	
			December 31, 2025	December 31, 2024
The Company	Collins International Co, Ltd (CICL.)	Trade	100.00 %	100.00 %
The Company	Quality Craft Ltd (Q.C.L)	Trade	78.26 %	78.26 %
The Company	Collins (BVI) International CO., Ltd (Collins BVI)	General Investing	100.00 %	100.00 %
The Company	Xing Chang Investment CO., Ltd (Xing Chang)	General Investing	100.00 %	100.00 %
The Company	Jesco International Co., Ltd (Jesco International)	Manpower Dispatch	100.00 %	100.00 %
The Company	GrowTrend Biomedical Co., Ltd (GrowTrend) (Note 1)	Wholesale of Medical Devices	52.08 %	53.55 %
The Company	Colltex Garment MFY (HK) Co., Ltd (Colltex HK)	Trade	100.00 %	100.00 %
The Company	Minoshin International Co., Ltd. (Minoshin International)	Trade	67.71 %	67.71 %
The Company	Yuguang Energy Co., Ltd (Yuguang)	Energy Technical Services	78.00 %	78.00 %
The Company	Collins Energy Solutions Co., Ltd (Collins Energy) (Note 2)	Energy Technical Services	51.00 %	51.00 %
The Company	Collins Jubilee Energy and Technology Co., Ltd. (Collins Jubilee Energy) (Note 3)	Energy Technical Services	70.00 %	70.00 %
Collins BVI	Commend Holdings Limited (Commend HD)	General Investing	100.00 %	100.00 %
Commend HD	Commend (HK) Limited (Commend HK)	Trade	100.00 %	100.00 %
Commend HD	Gaolingaoke Giftware (Shenzhen) Company Limited (GLGK)	Trade	100.00 %	100.00 %

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding	
			December 31, 2025	December 31, 2024
Collins Energy Solutions	CESone Co., Ltd (CESone)	Energy Technical Services	100.00 %	100.00 %
Collins Energy Solutions	De Rui Technology Co., Ltd. (De Rui Technology)	Energy Management System Services	78.13 %	78.13 %
Collins Energy Solutions	Wincharge Technology Inc. (Wincharge Technology)	Charging Pile Management System	33.75 %	33.75 %
Collins Energy Solutions	Puden Solar Energy Co., Ltd. (Puden Solar)	Solar System Engineering	100.00 %	100.00 %
Collins Energy Solutions	Tuosen Energy Co., Ltd (Tuosen)	Energy Technical Services	100.00 %	100.00 %
Collins Energy Solutions	Japan Collins Energy Solutions Co., Ltd (Japan Collins Energy) (Note 4)	Energy Technical Services	100.00 %	- %
Wincharge Technology	Conergy Technology Inc. (Conergy Technology)	Charging Pile Management System	99.99 %	99.99 %
Wincharge Technology	Japan Wincharge Technology Inc (Japan Wincharge Technology) (Note 4)	Energy Technical Services	100.00 %	- %
Minoshin International	LDR CO., Ltd (LDR) (Note 4)	Food and beverage industry	100.00 %	- %
The Company and Xing Chang	HI CLEARANCE INC. (HIC) (Note 5)	Manufacturing	20.00 %	20.00 %
HIC	Succeed Agents Limited (B.V.I.) (SA)	Investment Holding	100.00 %	100.00 %
HIC	Renalysis Medical Care Co., Ltd (RMC)	Medical Management Consulting	100.00 %	100.00 %
HIC	Hsin Fu Healthcare Co., Ltd. (HFH) (Note 6)	Medical Management Consulting	- %	100.00 %
HIC	Sin Hwa Biotech Co., Ltd. (SHB)	Medical Devices Trade	100.00 %	100.00 %
HIC	Sin Hwa Investment Co., Ltd. (SHI)	Investment Holding	100.00 %	100.00 %
HIC	HC-Healthcare Co., Ltd. (HCH)	Medical Devices Trade	100.00 %	100.00 %
SA	PT Hiclear Medical Indonesia (HMI)	Medical Devices Trade	100.00 %	100.00 %
SA	Moral Well Co., Ltd. (MW)	Investment Holding	100.00 %	100.00 %
MW	Taicha Medicare (Shanghai) Corp. (Taicha)	International and Entrepot trade	100.00 %	100.00 %

Note 1: The Group subscribed to the additional share of GrowTrend at a percentages different from those of its existing ownership in 2025 and 2024, resulting in the interests in net assets of \$3,698 and \$4,837, respectively, to be added to capital surplus.

Note 2: In 2024, due to changes in the shareholding ratios of Collins Energy Solutions and its subsidiaries, the equity value of the investment increased by \$1,422 credited to capital surplus.

Note 3: Established with capital injection in the fourth quarter of 2024.

Note 4: Established with capital injection in the second quarter of 2025.

Note 5: Although the Company and Xing Chang hold less than 50% of HIC's shares, they are the major shareholders who have the authority to decide on HIC' s financial and operating policies. Therefore, HIC is presumed to be a subsidiary.

Note 6: On November 8, 2024, HFH was approved for liquidation by the board of directors. The related liquidation procedures had been completed on March 24, 2025.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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 the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency 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 Group 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 Group 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, Exchange differences 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.

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

The Group 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;

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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.

The Group 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 Group 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.
- (f) Cash and cash equivalents

Cash comprises cash on hand, cash in bank and time deposits. 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.

- (g) Financial instruments

Accounts receivable issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an 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. An account 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 Group 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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
- 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 Group 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 is recognized in profit or loss on the date on which the Group's right to receive payment is established.

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 Group 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 Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, lease payments receivable, guarantee deposit paid and other financial assets).

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- Bank balances, other receivables, 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 Group 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 Group'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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group 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. Evidence that a financial assets is credit-impaired includes the following observable data.

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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group 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 Group 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 Group's procedures for recovery of amounts due.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Derecognition of financial assets

The Group 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 Group 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 and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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.

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.

6) 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 Group 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.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) 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.

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

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Investment in associates

Associates are those entities in which the Group 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 consolidated financial statements include the Group'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 Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group 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.

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

When the Group'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 Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group 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 Group's proportionate interest in the net assets of the associate. The Group 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 Group'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.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease.

When the purpose of investment property is changed and reclassified into property, plant and equipment, the reclassification is based on the book value of the changed purpose.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, 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 Group.

(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	5~56 years
2) Leased assets	3~37 years
3) Operating and Other equipment	1~20 years

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

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Leases

At inception of a contract, the Group 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) As a lessee

The Group 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 Group'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;
- 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 Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group 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 Group 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 Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Group 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 Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and franchise, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, other than goodwill, from the date that they are available for use.

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

1) Patent	4~5 years
2) Customer relationships	14~15 years
3) Franchise	1~2 years
4) Others	1~10 years

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

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets, asset generated by employee benefits) 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 CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

(o) Revenue recognition

Revenue from contracts with customers is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group is engaged in import and export trading, clothing retail, sales of medical equipment and medicine to related institutions and distributors, sales of charging piles and related equipment. The Group recognizes revenue when control of the products has transferred, being 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 Group has objective evidence that all criteria for acceptance have been satisfied.

The Group provides certain customers who buy medical equipment with an extended warranty over one to five years period in addition to the assurance that the product complies with agreed-upon specifications. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Group would sell the product medical equipment and the extended warranty separately in similar circumstances and to similar customers. The Group recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period. The payment terms of the extended warranty are similar to product medical equipment.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Engineering, maintenance, and labor services

The Group provides medical institutions commodity maintenance, advisory, management services, installation engineering and maintenance services for charging piles. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the amount of labor performed as a percentage of the total amount of labor to be performed.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(iii) Power electric revenue

The Group recognized its power electric revenue based on the actual electric units and electric rate. If the recognized revenue has not yet been billed, then recognized as contract asset. When the Company obtains an unconditional right to receive the consideration, the contract asset is reclassified as accounts receivable.

(iv) Financing components

The Group 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 group does not adjust any of the transaction prices for the time value of money.

(p) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group'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 Group, 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 Group 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.

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 Group 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 Group 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.

(r) 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group 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.

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

- (i) the Group 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.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Earnings per share

The Group 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 remuneration and convertible bonds.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(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 Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There is no information about critical judgments in the consolidated 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.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

(i) Details as below:

	December 31, 2025	December 31, 2024
Cash	\$ 2,525	2,583
Cash in bank	798,025	712,799
Time deposits	<u>159,900</u>	<u>80,649</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 960,450</u>	<u>796,031</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Current financial assets at amortized cost

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Time deposits more than three months	\$ <u>2,400</u>	<u>2,400</u>

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

(i) Details as below:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Mandatorily measured at fair value through profit or loss-current:		
Beneficiary Certification – Fund	\$ 18,059	22,031
Forward exchange contracts	109	530
Domestic unlisted shares	34,219	-
Foreign unlisted shares	<u>235,634</u>	<u>165,338</u>
Total	\$ <u>288,021</u>	<u>187,899</u>
Mandatorily measured at non-current financial assets at fair value through profit or loss non-current:		
Private funds	\$ <u>120,530</u>	<u>-</u>
Mandatorily measured financial liabilities at fair value through profit or loss - current:		
Convertible bonds with embedded derivatives	\$ <u>6,164</u>	<u>11,239</u>

(ii) Derivative financial instruments not designated as hedging instruments

The Group uses derivative financial instruments to hedge the certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified held-for-trading financial liabilities, and mandatorily measured at fair value through profit or loss:

	<u>December 31, 2025</u>		
	<u>Amount</u>	<u>Currency</u>	<u>Maturity dates</u>
Derivative financial assets:			
Forward exchange contracts	JPY <u>149,993</u>	NTD to JPY	2026.01.05~2026.01.21
	<u>December 31, 2024</u>		
	<u>Amount</u>	<u>Currency</u>	<u>Maturity dates</u>
Derivative financial liabilities:			
Forward exchange contracts	JPY <u>403,429</u>	NTD to JPY	2025.02.03~2025.04.24

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

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income:		
Domestic listed shares	\$ 446,577	697,139
Domestic and foreign unlisted shares	<u>230,952</u>	<u>275,706</u>
Total	<u>\$ 677,529</u>	<u>972,845</u>
Current	\$ 97,829	113,153
Non- current	<u>579,700</u>	<u>859,692</u>
Total	<u>\$ 677,529</u>	<u>972,845</u>

(i) Equity investments at fair value through other comprehensive income

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

The Group sold parts of its investment to adjust its investment portfolio, so in which the profit or loss of the transactions 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, respectively.

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

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

(d) Notes receivable, accounts receivable and lease receivables

	December 31, 2025	December 31, 2024
Notes receivable	\$ 204,408	187,621
Accounts receivable	1,764,637	1,860,090
Long-term notes receivable	10,070	10,339
Less: loss allowance	(34,973)	(40,314)
Unrealized interest income	<u>(270)</u>	<u>(224)</u>
	<u>1,943,872</u>	<u>2,017,512</u>
Overdue receivables (included in other non-current assets)	123,482	126,046
Less: loss allowance	<u>(123,482)</u>	<u>(126,046)</u>
	<u>\$ 1,943,872</u>	<u>2,017,512</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025	December 31, 2024
Allowance for loss attributable to:		
Notes receivable	\$ (4,825)	(2,771)
Accounts receivable	(30,047)	(37,439)
Overdue receivable	(123,482)	(126,046)
Long-term notes receivable	(101)	(104)
	<u>\$ (158,455)</u>	<u>(166,360)</u>

A maturity analysis of lease payments, which reflects the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2025	December 31, 2024
Less than one year	\$ 42,196	40,961
1~2 years	32,495	31,210
2~3 years	24,894	22,252
3~4 years	17,393	16,400
4~5 years	9,098	11,198
More than 5 years	28,514	43,853
Total lease payments receivable	154,590	165,874
Unearned finance income	(16,520)	(18,320)
Present value of lease payments receivable	138,070	147,554
Less: loss allowance	(1,339)	(1,476)
Present value of lease payments receivable	<u>\$ 136,731</u>	<u>146,078</u>

The Group 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, trade receivables 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:

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 1,858,239	0.24%~0.32%	4,831
1 to 180 days past due	90,826	4.99%~13.28%	4,306
181 to 365 days past due	6,715	9.56%~45.79%	2,771
More than 365 days past due	23,065	100%	23,065
	<u>\$ 1,978,845</u>		<u>34,973</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 1,916,336	0.23%~1.31%	7,548
1 to 180 days past due	117,909	5.30%~10.58%	11,255
181 to 365 days past due	3,187	20.69%~55.20%	1,117
More than 365 days past due	20,394	100%	20,394
	\$ 2,057,826		40,314

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

The movements in the loss allowance for notes receivable, accounts receivable, long-term notes receivable, overdue receivables and lease payments receivable were as follows:

	2025	2024
Balance at January 1	\$ 167,836	164,395
Impairment loss recognized (reversed)	(1,693)	(4,268)
Amounts written off	(1,093)	-
Foreign exchange (gains) losses	(5,256)	7,709
Balance at December 31	\$ 159,794	167,836

The Group utilized accounts receivables and collection notes to provide financial guarantees, please refer to note 8.

(e) Inventories

	December 31, 2025	December 31, 2024
Materials	\$ 5,362	518
Merchandise	1,590,736	1,427,035
Inventory in transit	120,857	256,257
	\$ 1,716,955	1,683,810

Except cost of goods sold and inventories recognized as expensed, the remaining gains or losses which were recognized as operating cost or deducting of operating cost were as follows:

	2025	2024
Write-downs of inventories (reversal of write-downs)	\$ (4,805)	(4,044)
Losses (gains) on inventory count	192	423
Total	\$ (4,613)	(3,621)

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group had been pledged as collateral, please refer to note 8.

(f) Investments accounted for using equity method

(i) Investments accounted for using equity method

The Group 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 Group 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 April 2024, Collins Energy Solutions made a new investment of \$135,000 to acquire Kailan Energy Co., Ltd.(Kailan Energy). Kailan Energy conducted cash capital increases in April, May, and July 2024. As Collins Energy Solutions did not participate in these capital increases, its shareholding ratio decreased to 15.00%. However, the Group holds 20% of the voting rights on the board of directors. After evaluation, the Group still has significant influence over Kailan Energy.

In the third quarter of 2024, Sanho Healthcare Co., Ltd. (Senho) conducted a cash capital increase. As the Group did not participate in the capital increase, its shareholding percentage to decreased from 15.63% to 10.58%. However, with more than 20% of the voting rights on the board of directors, the Group still has significant influence over Senho after evaluation.

The Group only held 10% of shareholding of Asia Smart Logistics. However, with more than 20% of the voting rights on the board of directors, the Group 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 Group consolidated financial statements.

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	\$ <u>401,986</u>	<u>388,141</u>
	<u>2025</u>	<u>2024</u>
Attributable to the Group:		
Profit	\$ 2,911	99
Other comprehensive income	<u>55</u>	<u>(18)</u>
Comprehensive income	\$ <u>2,966</u>	<u>81</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Pledge

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

(g) Acquisitions of operating segments, subsidiaries and non-controlling interests

(i) De Rui Technology Co., Ltd.

The Group, through its subsidiary Collins Energy Solution, acquired 60% shares of De Rui Technology Co., Ltd. for \$60,000 in January 2024. The main business of De Rui Technology is energy technology industry.

- 1) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:

Cash	\$	6,000
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)		3,504
Fair value of assets and liabilities at the acquisition date		
Cash and cash equivalents	\$	10,011
Other current assets		69
Property, plant and equipment		431
Other payables	(1,751)	<u>8,760</u>
Goodwill		<u>\$ 744</u>

The Group assessed that De Rui Technonoly is still currently focused on research and development, with expected low future benefits over the next five years. It is estimated recoverable amount will be less than the book value, resulting in the goodwill of \$744 will be fully recognized as an impairment loss.

(ii) Wincharge Technology Inc

The Group, through its subsidiary Collins Energy Solutions, acquired 33.75% of the shares of Wincharge Technology Inc (Wincharge Technology) for \$56,241 in cash at the end of January 2024. In early March, the board of directors was re-elected, and the Group gained control by obtaining a majority of seats. The main business of Wincharge Technology is the management system for charging piles.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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- 1) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:	
Cash	\$ 56,241
The fair value of previously held equity at the acquisition date (re-measurement)	26,961
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	47,877
Fair value of assets and liabilities at the acquisition date	
Cash and cash equivalents	\$ 51,690
Notes and accounts receivable	2,145
Property, plant and equipment	21,590
Intangible assets	764
Other current assets	924
Other non-current assets	1,165
Accounts payable	(486)
Other payables	(2,429)
Other current liabilities	(3,096) <u>72,267</u>
Goodwill	<u>\$ 58,812</u>

The Group has completed the purchase price allocation assessment report. Due to the re-measurement of the fair value of the 28.52% equity previously held in Wincharge Technology before the acquisition, the gain on disposal of investment \$26,961 was recognized under 'Other gains and losses' in the consolidated statement of comprehensive income in 2024.

- (iii) Pudon Solar Energy Co., Ltd.

The Group, through its subsidiary Collins Energy Solutions, acquired 100% of the shares of Pudon Solar Energy for \$20 in cash in February 2024. The main business of Pudon Solar Energy is solar system engineering.

- 1) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:	
Cash	\$ 20
Fair value of assets and liabilities at the acquisition date	
Cash and cash equivalents	\$ 363
Other current assets	18,042
Construction in process	2,045
Bank loans	(15,356)
Other current liabilities	(494) <u>4,600</u>
Gain on a bargain purchase	<u>\$ (4,580)</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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The Group has completed the purchase price allocation assessment report. The gain on a bargain purchase \$4,580 generated on the acquisition date is recognized under 'Other gains and losses' in the consolidated statement of comprehensive income in 2024.

(iv) Yuan Ti Costume Co.,Ltd.

The Group, through its subsidiary Minoshin, acquired the operating segment of Yuan Ti Costume Co., Ltd. (Yuan Ti) at the end of October 2025 for a consideration of \$80,000. The main business of Yuan Ti is food and beverage Industry .

- 1) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:

Cash (including \$3,201 settled by offsetting accounts)	\$	80,000
---------------------------------------------------------	----	--------

Fair value of assets and liabilities at the acquisition date

Inventories	\$	36,696	
Property, plant and equipment		4,047	
Guarantee deposits paid		945	
Intangible assets		14,605	56,293
Goodwill		\$	23,707

The fair value measurements of the assets acquired and liabilities assumed in the above acquisition are provisional, as the amounts are subject to completion of the final valuation. During the measurement period, the Group will continue to review the aforementioned items. If new information is obtained within one year from the acquisition date regarding facts and circumstances that existed as of the acquisition date, and such information results in adjustments to the provisional amounts or the recognition of additional provisions for liabilities existing at the acquisition date, the accounting for the acquisition will be revised accordingly.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests	
		December 31, 2025	December 31, 2024
HIC	New Taipei City	80.00 %	80.00 %

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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HIC is a listed company, and its fair value on the reporting date was as follows:

	December 31, 2025	December 31, 2024
HIC	<u><u>\$ 6,077,113</u></u>	<u><u>6,210,675</u></u>

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRSs. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

	December 31, 2025	December 31, 2024
Current assets	\$ 2,658,333	2,484,795
Non-current assets	3,323,147	3,458,226
Current liabilities	(1,541,225)	(1,402,507)
Non- current liabilities	<u>(501,514)</u>	<u>(566,135)</u>
Net assets	<u><u>\$ 3,938,741</u></u>	<u><u>3,974,379</u></u>
Non-controlling interests	<u><u>\$ 2,882,369</u></u>	<u><u>2,908,464</u></u>
	2025	2024
Operating revenue	<u><u>\$ 4,278,234</u></u>	<u><u>4,072,811</u></u>
Profit	\$ 283,794	274,971
Other comprehensive income	<u>(7,785)</u>	<u>(29,986)</u>
Comprehensive income	<u><u>\$ 276,009</u></u>	<u><u>244,985</u></u>
Profit, attributable to non-controlling interests	<u><u>\$ 227,035</u></u>	<u><u>219,976</u></u>
Comprehensive income, attributable to non-controlling interests	<u><u>\$ 220,807</u></u>	<u><u>195,988</u></u>
	2025	2024
Net cash flows from operating activities	\$ 389,543	510,119
Net cash flows from investing activities	(93,276)	(377,190)
Net cash flows from financing activities	(244,541)	(122,325)
Effect of exchange rate changes	<u>(2,631)</u>	<u>3,124</u>
Net decrease in cash and cash equivalents	<u><u>\$ 49,095</u></u>	<u><u>13,728</u></u>
Dividends paid to non-controlling interests	<u><u>\$ (249,308)</u></u>	<u><u>(249,308)</u></u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</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	\$ 2,126,540	1,169,666	531,571	1,030,106	189,909	5,047,792
Additions	-	5,951	48,497	121,683	91,153	267,284
Acquisition through business combinations	-	-	-	4,047	-	4,047
Reclassification (Note)	-	10,942	32,916	7,981	(160,232)	(108,393)
Disposals	-	-	(47,065)	(20,663)	-	(67,728)
Effect on movements in exchange rates	20	56	(1,513)	(1,043)	-	(2,480)
Balance on December 31, 2025	<u>\$ 2,126,560</u>	<u>1,186,615</u>	<u>564,406</u>	<u>1,142,111</u>	<u>120,830</u>	<u>5,140,522</u>
Balance on January 1, 2024	\$ 1,905,281	1,123,327	504,595	621,927	339,581	4,494,711
Additions	206,218	18,979	24,343	95,987	261,179	606,706
Acquisition through business combinations	-	-	-	22,021	2,045	24,066
Reclassification (Note)	11,331	25,542	47,063	347,666	(412,896)	18,706
Disposals	-	(8,667)	(44,815)	(59,404)	-	(112,886)
Reclassification from non-current assets held for sale	3,818	10,790	-	-	-	14,608
Effect on movements in exchange rates	(108)	(305)	385	1,909	-	1,881
Balance on December 31, 2024	<u>\$ 2,126,540</u>	<u>1,169,666</u>	<u>531,571</u>	<u>1,030,106</u>	<u>189,909</u>	<u>5,047,792</u>
Accumulated depreciation:						
Balance on January 1, 2025	\$ -	113,964	241,364	475,476	-	830,804
Depreciation	-	30,478	59,817	135,726	-	226,021
Reclassification (Note)	-	-	(181)	(125)	-	(306)
Disposals	-	-	(38,289)	(15,098)	-	(53,387)
Effect on movements in exchange rates	-	34	(352)	(936)	-	(1,254)
Balance on December 31, 2025	<u>\$ -</u>	<u>144,476</u>	<u>262,359</u>	<u>595,043</u>	<u>-</u>	<u>1,001,878</u>
Balance on January 1, 2024	\$ -	120,976	221,311	412,350	-	754,637
Depreciation	-	28,419	58,665	116,800	-	203,884
Reclassification (Note)	-	(32,535)	(691)	(2,342)	-	(35,568)
Disposals	-	(8,667)	(37,961)	(52,742)	-	(99,370)
Reclassification from non-current assets held for sale	-	5,943	-	-	-	5,943
Effect on movements in exchange rates	-	(172)	40	1,410	-	1,278
Balance on December 31, 2024	<u>\$ -</u>	<u>113,964</u>	<u>241,364</u>	<u>475,476</u>	<u>-</u>	<u>830,804</u>
Carrying amounts:						
Balance on December 31, 2025	<u>\$ 2,126,560</u>	<u>1,042,139</u>	<u>302,047</u>	<u>547,068</u>	<u>120,830</u>	<u>4,138,644</u>
Balance on January 1, 2024	<u>\$ 1,905,281</u>	<u>1,002,351</u>	<u>283,284</u>	<u>209,577</u>	<u>339,581</u>	<u>3,740,074</u>
Balance on December 31, 2024	<u>\$ 2,126,540</u>	<u>1,055,702</u>	<u>290,207</u>	<u>554,630</u>	<u>189,909</u>	<u>4,216,988</u>

Note: Reclassifications are mainly transferring from inventories, prepayments for equipment, construction in process and other non-current assets.

- (i) For the year ended 2025 and 2024, the Group capitalized the interest expenses amounting to \$3,700 and \$455. The ranges of the monthly interest rates used for capitalization calculation were 0.21% and 0.21~0.22%.
- (ii) On April 16, 2024, the Group acquired the “Chiayi Interchange Special Zone Goods Transfer Center Area Land Readjustment Area”, as announced by the Chiayi County Government, through a public bidding process. The land is intended for a warehouse expansion plan. The total transaction amount was \$206,218, and the land payment has been completed. The relevant ownership registration procedures were finalized on August 14, 2024.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iii) In the second quarter of 2024, as the subsidiary Q.C.L. had not yet disposed of its non-current assets held for sale, the Group reclassified such assets back to property, plant and equipment.
- (iv) The property, plant and equipment of the Group had been pledged as collateral for loans, please refer to note 8.

(j) Right-of-use assets

The Group leases land, buildings and structures, and equipment. The movements of right-of-use assets were as follows:

	Land and improvements	Buildings and structures	Equipment	Total
Cost:				
Balance at January 1, 2025	\$ 21,630	1,182,186	4,984	1,208,800
Additions	4,134	104,973	4,673	113,780
Reclassification	3,373	(1,575)	1,575	3,373
Disposals	(2,700)	(245,592)	(270)	(248,562)
Effect on movements in exchange rates	-	(5,048)	-	(5,048)
Balance at December 31, 2025	\$ 26,437	1,034,944	10,962	1,072,343
Balance at January 1, 2024	\$ 44,289	954,031	3,833	1,002,153
Additions	-	299,447	3,092	302,539
Reclassification	(22,654)	22,654	-	-
Disposals	(5)	(100,568)	(1,941)	(102,514)
Effects on movements in exchange rates	-	6,622	-	6,622
Balance at December 31, 2024	\$ 21,630	1,182,186	4,984	1,208,800
Accumulated depreciation:				
Balance at January 1, 2025	\$ 2,422	435,801	3,140	441,363
Depreciation	2,079	150,107	4,066	156,252
Reclassification	-	582	(582)	-
Disposals	-	(185,732)	(85)	(185,817)
Effect on movements in exchange rates	-	(2,082)	-	(2,082)
Balance at December 31, 2025	\$ 4,501	398,676	6,539	409,716
Balance at January 1, 2024	\$ 2,127	352,034	2,600	356,761
Depreciation	1,738	155,646	2,482	159,866
Reclassification	(1,438)	1,438	-	-
Disposals	(5)	(76,236)	(1,942)	(78,183)
Effect on movements in exchange rate	-	2,919	-	2,919
Balance at December 31, 2024	\$ 2,422	435,801	3,140	441,363
Carrying amount:				
Balance at December 31, 2025	\$ 21,936	636,268	4,423	662,627
Balance at January 1, 2024	\$ 42,162	601,997	1,233	645,392
Balance at December 31, 2024	\$ 19,208	746,385	1,844	767,437

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Investment property

	<u>Owned property</u>		<u>Total</u>
	<u>Land and improvements</u>	<u>Buildings and construction</u>	
Cost:			
Balance at January 1, 2025	\$ 25,736	484	26,220
Balance at December 31, 2025	<u>\$ 25,736</u>	<u>484</u>	<u>26,220</u>
Balance at January 1, 2024	\$ 25,736	484	26,220
Balance at December 31, 2024	<u>\$ 25,736</u>	<u>484</u>	<u>26,220</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ -	128	128
Depreciation	-	10	10
Balance at December 31, 2025	<u>\$ -</u>	<u>138</u>	<u>138</u>
Balance at January 1, 2024	\$ -	119	119
Depreciation	-	9	9
Balance at December 31, 2024	<u>\$ -</u>	<u>128</u>	<u>128</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 25,736</u>	<u>346</u>	<u>26,082</u>
Balance at January 1, 2024	<u>\$ 25,736</u>	<u>365</u>	<u>26,101</u>
Balance at December 31, 2024	<u>\$ 25,736</u>	<u>356</u>	<u>26,092</u>
Fair value:			
Balance at December 31, 2025			<u>\$ 28,217</u>
Balance at January 1, 2024			<u>\$ 27,291</u>
Balance at December 31, 2024			<u>\$ 28,168</u>

The Group's investment properties were subsequently measured at fair value using the income approach after initial recognition, wherein the fair value was determined by the present value of net cash flows to be generated from the property, taking into account of expected rate of return.

<u>Location</u>	<u>2025</u>	<u>2024</u>
Chaozhou Township, Pingtung County	0.25%	0.27%

As of December 31, 2025 and 2024, the right-of-use assets were not pledged.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Intangible assets

(i) The cost and accumulated amortization of the intangible assets of the Group for the years ended December 31, 2025 and 2024 were as follows:

	<u>Goodwill</u>	<u>Patent</u>	<u>Customer relationship</u>	<u>Franchise</u>	<u>Other</u>	<u>Total</u>
Cost:						
Balance at January 1, 2025	\$ 505,467	-	1,245,474	31,723	191,947	1,974,611
Acquisition through business combinations	23,707	-	14,605	-	-	38,312
Additions	-	-	-	-	46,567	46,567
Disposals	-	-	-	-	(1,687)	(1,687)
Reclassification (Note)	-	-	-	-	46,099	46,099
Effect on movement in exchange rates	-	-	-	-	292	292
Balance at December 31, 2025	<u>\$ 529,174</u>	<u>-</u>	<u>1,260,079</u>	<u>31,723</u>	<u>283,218</u>	<u>2,104,194</u>
Balance at January 1, 2024	\$ 445,911	4,129	1,245,474	31,723	170,081	1,897,318
Acquisition through business combinations	59,556	-	-	-	764	60,320
Additions	-	-	-	-	18,552	18,552
Disposals	-	(4,190)	-	-	(686)	(4,876)
Reclassification (Note)	-	-	-	-	3,236	3,236
Effect on movement in exchange rates	-	61	-	-	-	61
Balance at December 31, 2024	<u>\$ 505,467</u>	<u>-</u>	<u>1,245,474</u>	<u>31,723</u>	<u>191,947</u>	<u>1,974,611</u>
Accumulated amortization:						
Balance at January 1, 2025	\$ 1,960	-	724,772	31,723	88,304	846,759
Amortization	-	-	84,608	-	42,369	126,977
Disposals	-	-	-	-	(1,687)	(1,687)
Effect on movement in exchange rates	-	-	-	-	147	147
Balance at December 31, 2025	<u>\$ 1,960</u>	<u>-</u>	<u>809,380</u>	<u>31,723</u>	<u>129,133</u>	<u>972,196</u>
Balance at January 1, 2024	\$ 1,216	4,129	640,332	31,723	63,137	740,537
Amortization	-	-	84,440	-	25,809	110,249
Impairment loss	744	-	-	-	-	744
Disposals	-	(4,190)	-	-	(686)	(4,876)
Effect on movement in exchange rates	-	61	-	-	44	105
Balance at December 31, 2024	<u>\$ 1,960</u>	<u>-</u>	<u>724,772</u>	<u>31,723</u>	<u>88,304</u>	<u>846,759</u>
Carrying amount:						
Balance at December 31, 2025	<u>\$ 527,214</u>	<u>-</u>	<u>450,699</u>	<u>-</u>	<u>154,085</u>	<u>1,131,998</u>
Balance at January 1, 2024	<u>\$ 444,695</u>	<u>-</u>	<u>605,142</u>	<u>-</u>	<u>106,944</u>	<u>1,156,781</u>
Balance at December 31, 2024	<u>\$ 503,507</u>	<u>-</u>	<u>520,702</u>	<u>-</u>	<u>103,643</u>	<u>1,127,852</u>

Note: Reclassifications are mainly transferring from other non-current assets.

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COLLINS CO., LTD. AND SUBSIDIARIES
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(ii) Impairment testing for cash-generating units (including goodwill)

The intangible assets of the Group were mainly arising from the acquisition of HIC、Minoshin International, Yuguang and Wincharge Technology. According to IAS 36, goodwill acquired in a business combination is tested for impairment at least annually.

As of December 31, 2025 and 2024, the recoverable amount has been determined based on fair value measurement. According to the result of the Group's impairment testing, no impairment loss was recognized.

(iii) The abovementioned intangible assets were not pledged.

(m) Bank loans

(i) Short-term loans

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

	December 31, 2025		
	Currency	Interest rate collar	Amount
Unsecured bank loans	NTD	1.80%~2.15%	\$ 1,487,583
Secured bank loans	NTD	1.83%	<u>250,000</u>
Subtotal			<u>1,737,583</u>
Commercial papers payable	NTD	2.34%	105,900
Less: Discounted commercial papers payable			<u>(380)</u>
Subtotal			<u>105,520</u>
Total			<u>\$ 1,843,103</u>
Unused credit lines			<u>\$ 4,750,638</u>
	December 31, 2024		
	Currency	Interest rate collar	Amount
Unsecured bank loans	NTD	1.83%~2.69%	\$ 1,003,720
Secured bank loans	NTD	1.83%~2.15%	167,987
Secured bank loans	CAD	5.95%~8.50%	<u>46,244</u>
Subtotal			<u>1,217,951</u>
Commercial papers payable	NTD	2.34%	123,100
Less: Discounted commercial papers payable			<u>(497)</u>
Subtotal			<u>122,603</u>
Total			<u>\$ 1,340,554</u>
Unused credit lines			<u>\$ 5,878,444</u>

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COLLINS CO., LTD. AND SUBSIDIARIES
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(ii) Long-term loans

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

December 31, 2025				
	Currency	Interest rate collar	Expiration year	Amount
Unsecured bank loans	NTD	2.38%~2.46%	2027	\$ 310,000
Secured bank loans	NTD	1.93%~2.69%	2027~2043	1,418,226
Less: current portion				(117,536)
Total				<u>\$ 1,610,690</u>
December 31, 2024				
	Currency	Interest rate collar	Expiration year	Amount
Unsecured bank loans	NTD	2.02%~2.46%	2026	\$ 520,000
Secured bank loans	NTD	1.93%~2.55%	2024~2043	753,963
Less: current portion				(24,775)
Total				<u>\$ 1,249,188</u>

(iii) For interest expense, please refer to note 6(w). For the collateral for bank loans, please refer to note 8.

(n) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2025	December 31, 2024
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Cumulative converted amount	(100)	(100)
Cumulative redeemed amount	(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)	-
	<u>\$ -</u>	<u>-</u>
Embedded derivative instruments – put rights (included in financial liabilities at fair value through profit or loss)	<u>\$ 6,164</u>	<u>11,239</u>
Equity component – conversion options (included in capital surplus– stock options)	<u>\$ 63,619</u>	<u>138,337</u>
	<u>2025</u>	<u>2024</u>
Embedded derivative instruments – Profit and loss on the valuation of put rights (included in net profit or loss financial liabilities at fair value through profit or loss)	<u>\$ (12,682)</u>	<u>940</u>
Interest expense	<u>\$ (29,684)</u>	<u>(33,589)</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group should repay it convertible bonds in cash upon maturity.
- (iv) Redemption method: The Group 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 Group 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 issue for the period between 3 months after the issuance of convertible bonds and 40 days before the maturity date, the Group 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 Group of their request for bond redemption within 40 days prior to the second anniversary of the issuance date, and the Group should redeem the bonds at 102.01% of the per value within 5 business days following such date.

On September 25, 2025, the Group accepted the exercise of the put right by bondholders and redeemed 5,399 bonds, amounting \$550,752. In addition, the Group 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;
 - 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.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 Group 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 exright 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.

(o) Lease liabilities

	December 31, 2025	December 31, 2024
Current	<u>\$ 133,994</u>	<u>145,506</u>
Non-current	<u>\$ 566,677</u>	<u>657,652</u>

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

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest on lease liabilities	<u>\$ 15,272</u>	<u>14,412</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 18,946</u>	<u>18,433</u>
Income from sub-leasing right-of-use assets	<u>\$ 91,830</u>	<u>88,060</u>
Expenses relating to short-term leases	<u>\$ 13,407</u>	<u>9,580</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 4,576</u>	<u>3,117</u>

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

	2025	2024
Total cash outflow for leases	<u>\$ 204,279</u>	<u>194,986</u>

(i) Real estate and transportation equipment leases

The Group leased buildings and structures for its office space, warehouse and retail stores. The leases of office space typically run for 3 to 10 years, of warehouse for 2 years and of retail stores for 3 to 5 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. In addition, the lease of transportation equipments were 3 to 4 years.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group leases out some of its investment property, business premises and medical equipment under operating leases; please refer to note 6(p).

Some leases of office building contain extension options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonable certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

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

(p) Operating lease

The Group leases out its investment property, business premises and medical equipment etc. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

For the years ended December 31, 2025 and 2024, the rental income recognized in profit or loss amounted to \$220,863 and \$207,064, respectively, wherein rental income from investment properties were both \$1,497.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follow:

	December 31, 2025	December 31, 2024
Less than one year	\$ 91,422	91,133
One to two years	83,088	80,143
Two to three years	69,578	74,062
Three to four years	54,874	61,939
Four to five years	37,955	47,078
More than five years	<u>149,647</u>	<u>121,947</u>
Total undiscounted lease payments	<u>\$ 486,564</u>	<u>476,302</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Employee benefits

(i) Defined benefit plans

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

	December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	\$ 149,712	147,698
Fair value of plan assets	<u>(137,325)</u>	<u>(127,411)</u>
Net defined benefit liabilities	<u>\$ 12,387</u>	<u>20,287</u>

The Group 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 Group 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 Group's Bank of Taiwan labor pension reserve account balance amounted to \$137,325 and \$127,411 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.

2) Movements in present value of the defined benefit obligations

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

	2025	2024
Defined benefit obligations at January 1	\$ 147,698	154,687
Current service costs and interest cost	2,352	2,233
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	6,850	2,958
Benefits paid by the plan	<u>(7,188)</u>	<u>(12,180)</u>
Defined benefit obligations at December 31	<u>\$ 149,712</u>	<u>147,698</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 127,411	122,572
Return on planned assets	2,008	1,717
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	7,143	7,324
Contributions paid by the employer	7,951	7,978
Benefits paid by the plan	<u>(7,188)</u>	<u>(12,180)</u>
Fair value of plan assets at December 31	<u><u>\$ 137,325</u></u>	<u><u>127,411</u></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>300</u>	<u>473</u>
	<u><u>\$ 344</u></u>	<u><u>516</u></u>
	<u>2025</u>	<u>2024</u>
Administrative expenses	<u><u>\$ 344</u></u>	<u><u>516</u></u>

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

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

	<u>2025</u>	<u>2024</u>
Accumulated balance at January 1	\$ 44,042	48,408
Recognition in the current period	<u>(293)</u>	<u>(4,366)</u>
Accumulated balance at December 31	<u><u>\$ 43,749</u></u>	<u><u>44,042</u></u>

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	1.2816 %~1.63%	1.4612%~1.75%
Future salary increase rate	1.5 %~2%	1.5%~2%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$8,037.

The weighted average lifetime of the defined benefits plans is 6.04~9.69 years.

7) Sensitivity analysis

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>Increased</u>	<u>Decreased</u>
December 31, 2025		
Discount rate decrease (increase) by 0.25%	\$ 2,429	(2,363)
Future salary increasing rate increase (decrease) by 0.25%	3,663	(3,537)
December 31, 2024		
Discount rate decrease (increase) by 0.25%	\$ 2,576	(2,516)
Future salary increasing rate increase (decrease) by 0.25%	3,876	(3,742)

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 pension costs incurred from the contributions amounted to \$40,652 and \$35,149 for the years ended December 31, 2025 and 2024, respectively.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Income taxes

- (i) The components of income tax expense for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 136,355	134,734
Deferred tax expense		
Origination and reversal of temporary differences	(921)	16,866
Income tax expense	<u>\$ 135,434</u>	<u>151,600</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>\$ 442,444</u>	<u>497,531</u>
Income tax using the Company's domestic tax rate	\$ 88,489	99,506
Effect on tax rates in foreign jurisdiction	19,930	19,478
Non-deductible expenses	19,456	29,887
Income basic tax	1,888	807
Change in temporary differences	(9,002)	(6,807)
Others	14,673	8,729
Income tax expense	<u>\$ 135,434</u>	<u>151,600</u>

- (ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Deductible temporary differences	\$ 21	(57)
The carryforward of unused tax losses	323,427	295,664
	<u>\$ 323,448</u>	<u>295,607</u>

According to the law and regulation in respective countries, tax losses can be carried forward to offset taxable income. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized was as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>
2009	\$ 12,532
2014	4,938
2015	7,072
2016	24,611
2017	26,652
2018	58,763
2019	59,749
2020	9,202
2021	7,314
2022	4,726
2023	15,856
2024	43,578
2025	48,434
	<u>\$ 323,427</u>

2) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. 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 were as follows:

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

3) 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:

	<u>Unrealized</u> <u>loss on</u> <u>inventories</u>	<u>Unused</u> <u>tax losses</u>	<u>Allowance</u> <u>of doubtful</u> <u>accounts</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2025	\$ 19,013	36,996	27,529	(1,558)	81,980
Recognized in profit or loss	(3,390)	7,222	1,019	410	5,261
Balance at December 31, 2025	<u>\$ 15,623</u>	<u>44,218</u>	<u>28,548</u>	<u>(1,148)</u>	<u>87,241</u>
Balance at January 1, 2024	\$ 16,577	45,031	28,265	5,867	95,740
Recognized in profit or loss	2,436	(8,035)	(736)	(7,425)	(13,760)
Balance at December 31, 2024	<u>\$ 19,013</u>	<u>36,996</u>	<u>27,529</u>	<u>(1,558)</u>	<u>81,980</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Deferred Tax Liabilities:

	Reserve for land value increment tax	Others	Total
Balance at January 1, 2025	\$ (107,318)	(22,656)	(129,974)
Recognized in profit or loss	-	(4,340)	(4,340)
Balance at December 31, 2025	\$ (107,318)	(26,996)	(134,314)
Balance at January 1, 2024	\$ (107,318)	(19,550)	(126,868)
Recognized in profit or loss	-	(3,106)	(3,106)
Balance at December 31, 2024	\$ (107,318)	(22,656)	(129,974)

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

(s) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the amounts of authorized ordinary shares were \$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:

	December 31, 2025	December 31, 2024
Treasury share transactions	\$ 31,084	31,084
Dividends paid to subsidiaries	42,608	42,608
Changes in ownship 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	\$ 294,047	290,349

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 ordinary share outstanding.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' 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.

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.

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COLLINS CO., LTD. AND SUBSIDIARIES
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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>

Furthermore, HIC appropriated the cash dividends, both amounting to \$311,647, for 2024 and 2023's earning distribution according to the resolutions made during the shareholders' meetings held on May 26, 2025 and May 29, 2024, wherein the amount of both \$249,308 was appropriated to non-controlling interests.

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

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

(iv) Other equity interest, net of tax

	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance at January 1, 2025	\$ (42,937)	86,088	(57,409)	(14,258)
Exchange differences on translation of foreign financial statements	(19,326)	-	(6,232)	(25,558)
Exchange differences on associates accounted for using equity method	55	-	-	55
Unrealized gains (losses) from financial assets designated at fair value through other comprehensive income	-	(108,711)	(3,509)	(112,220)
Gains (losses) on remeasurements of defined benefit plans	-	-	255	255
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(83,370)	-	(83,370)
Balance at December 31, 2025	<u>\$ (62,208)</u>	<u>(105,993)</u>	<u>(66,895)</u>	<u>(235,096)</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance at January 1, 2024	\$ (74,282)	(36,579)	(39,011)	(149,872)
Exchange differences on translation of foreign financial statements	31,363	-	7,974	39,337
Exchange differences on associates accounted for using equity method	(18)	-	-	(18)
Unrealized gains (losses) from financial assets designated at fair value through other comprehensive income	-	157,107	(26,606)	130,501
Gains (losses) on remeasurements of defined benefit plans	-	-	234	234
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(34,440)	-	(34,440)
Balance at December 31, 2024	<u>\$ (42,937)</u>	<u>86,088</u>	<u>(57,409)</u>	<u>(14,258)</u>

(t) Earnings per share

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

(i) Basic earnings per share

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

(ii) Diluted earnings per share

Diluted earnings per share	2025	2024
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)	\$ <u>98,658</u>	<u>134,163</u>
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)	<u>209,553</u>	<u>264,923</u>
Diluted earnings per share (NTD)	\$ <u>0.47</u>	<u>0.51</u>

(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.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Revenue from contracts with customers

(i) Details of revenue

		2025				
		Department of trading	Department of fashion	Department of kidney dialysis	Department of other	Total
Primary geographical markets:						
Taiwan	\$	-	1,482,414	2,845,755	1,638,199	5,966,368
America		1,845,526	-	-	-	1,845,526
Canada		307,263	-	-	-	307,263
Central and South America		422,976	-	-	-	422,976
Other		308,889	-	25,783	1,931	336,603
		<u>\$ 2,884,654</u>	<u>1,482,414</u>	<u>2,871,538</u>	<u>1,640,130</u>	<u>8,878,736</u>
Major products/services lines:						
Sale of goods	\$	2,884,654	1,482,414	2,852,236	1,301,942	8,521,246
Rental income		-	-	7,953	212,739	220,692
Service income		-	-	11,349	125,449	136,798
		<u>\$ 2,884,654</u>	<u>1,482,414</u>	<u>2,871,538</u>	<u>1,640,130</u>	<u>8,878,736</u>
		2024				
		Department of trading	Department of fashion	Department of kidney dialysis	Department of other	Total
Primary geographical markets:						
Taiwan	\$	-	1,594,248	2,878,206	1,253,363	5,725,817
America		1,832,687	-	-	-	1,832,687
Canada		391,907	-	-	-	391,907
Central and South America		524,282	-	-	-	524,282
Other		374,311	-	18,491	6,190	398,992
		<u>\$ 3,123,187</u>	<u>1,594,248</u>	<u>2,896,697</u>	<u>1,259,553</u>	<u>8,873,685</u>
Major products/services lines:						
Sale of goods	\$	3,123,187	1,594,248	2,876,665	933,650	8,527,750
Rental income		-	-	6,888	200,182	207,070
Service income		-	-	13,144	125,721	138,865
		<u>\$ 3,123,187</u>	<u>1,594,248</u>	<u>2,896,697</u>	<u>1,259,553</u>	<u>8,873,685</u>

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets- electricity sale	\$ 942	-	-
Contract assets- engineering	81,047	-	-
	<u>\$ 81,989</u>	<u>-</u>	<u>-</u>

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COLLINS CO., LTD. AND SUBSIDIARIES
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	<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	\$ 6,411	15,465	17,324
Contract liabilities- maintenance service	43,538	46,526	32,633
Contract liabilities- engineering	<u>138,541</u>	<u>5,622</u>	<u>-</u>
	<u>\$ 188,490</u>	<u>67,613</u>	<u>49,957</u>

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

The amount 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 \$23,148 and \$19,569, respectively.

Contract assets-electricity sales is mainly the electricity sales revenue that has been recognized at energy storage project, but as of the reporting date, electricity has not been officially sold and payment has not been requested. When the Group has the entitlement to payment which becomes unconditional, it will be transferred to accounts receivable.

Changes in contract assets and contract liabilities are primarily due to differences between the point in time when the Group satisfies its performance obligations by transferring goods or services to customers and the point in time when customers pay.

(iii) Transaction price allocated to the remaining performance obligations

As of December 31, 2025 and 2024, the aggregate amount of the transaction price of extended warranty service allocated to the remaining performance obligation was \$43,538 and \$46,526, respectively. The Group will recognize this revenue over time as the service is provided, which is expected to occur over the next 2 to 6 years.

(v) 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.

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COLLINS CO., LTD. AND SUBSIDIARIES
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	<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 financial statements of the years ended December 31, 2024 and 2023. The related information can be found on Market Observation Post System website.

(w) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Rental income	\$ 32,452	30,977
Dividend income	55,166	29,744
Compensation income	-	11,442
Other income	<u>28,986</u>	<u>31,369</u>
	<u>\$ 116,604</u>	<u>103,532</u>

(ii) Interest income

The details of interest income were as follows:

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 8,328	6,410
Interest income from lease payments receivable	6,157	5,910
Other interest income	<u>199</u>	<u>126</u>
	<u>\$ 14,684</u>	<u>12,446</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Gains (losses) on disposals of property, plant and equipment	\$ (1,376)	(9,055)
Gains on a bargain purchase	-	4,580
Foreign exchange gains (losses)	5,516	22,301
Gains (losses) on financial assets and liabilities at fair value through profit or loss	65,309	(5,689)
Gains on disposals of investments	-	26,961
Loss on bonds redemption	(12,578)	-
Others	<u>3,640</u>	<u>(8,738)</u>
	<u>\$ 60,511</u>	<u>30,360</u>

(iv) Finance costs

The details of finance costs were as follows:

	<u>2025</u>	<u>2024</u>
Interest expense - bank loan	\$ (61,756)	(54,226)
Interest expense - lease liabilities	(15,272)	(14,412)
Interest expense - bonds payable	(29,684)	(33,589)
Less: interest capitalized	<u>3,700</u>	<u>455</u>
	<u>\$ (103,012)</u>	<u>(101,772)</u>

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

There was no such incident for the years ended December 31, 2025 and 2024.

3) Receivables and debt securities

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

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(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2025						
Non-derivative financial liabilities						
Short-term loans	\$ 1,843,103	1,843,103	1,843,103	-	-	-
Long-term loans (including current portion)	1,728,226	1,728,226	117,536	954,127	278,261	378,302
Lease liabilities	700,671	700,671	133,994	110,592	231,980	224,105
Notes payable	13,456	13,456	13,456	-	-	-
Accounts payable	906,969	906,969	906,969	-	-	-
Other payables (including related parties)	377,396	377,396	377,396	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	5,879	5,879	5,109	522	248	-
Bonds payable	448,053	448,053	448,053	-	-	-
Derivative financial liabilities						
Convertible bonds with embedded derivatives	6,164	6,164	6,164	-	-	-
	<u>\$ 6,029,917</u>	<u>6,029,917</u>	<u>3,851,780</u>	<u>1,065,241</u>	<u>510,489</u>	<u>602,407</u>
December 31, 2024						
Non-derivative financial liabilities						
Short-term loans	\$ 1,340,554	1,340,554	1,340,554	-	-	-
Long-term loans (including current portion)	1,273,963	1,273,963	24,775	556,972	272,414	419,802
Lease liabilities	803,158	803,158	145,506	114,001	277,389	266,262
Notes payable	6,730	6,730	6,730	-	-	-
Accounts payable	1,006,961	1,006,961	1,006,961	-	-	-
Other payables (including related parties)	388,176	388,176	388,176	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	5,637	5,637	3,381	2,095	161	-
Bonds payable	938,786	938,786	938,786	-	-	-
Derivative financial liabilities						
Forward exchange contracts	11,239	11,239	11,239	-	-	-
	<u>\$ 5,775,204</u>	<u>5,775,204</u>	<u>3,866,108</u>	<u>673,068</u>	<u>549,964</u>	<u>686,064</u>

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

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(iii) Currency risk

1) Exposure to foreign currency risk

The Group is significantly exposed to foreign currency risk were as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 23,349	31.380	732,682	22,862	32.735	748,382
JPY	143,703	0.199	28,568	171,959	0.208	35,750
CNY	309	4.471	1,383	278	4.453	1,240
Financial liabilities						
Monetary items						
USD	9,517	31.380	298,659	11,078	32.735	362,643
JPY	633,375	0.199	125,915	652,696	0.208	135,696
CNY	1,560	4.471	6,974	2,397	4.453	10,674

2) Sensitivity analysis

The Group'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, loans, accounts payable and other payable that are denominated in foreign currency.

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 \$3,311 and \$2,764, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis is performed on the same basis for both years.

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$5,516 and \$22,301, respectively.

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COLLINS CO., LTD. AND SUBSIDIARIES
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(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group'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 Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Group's profit before tax would have decreased / increased by \$35,713 and \$26,145 for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the changes of Group's borrowing 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%	\$ <u>6,775</u>	<u>4,086</u>	<u>9,728</u>	<u>1,879</u>
Decreasing 1%	\$ <u>(6,775)</u>	<u>(4,086)</u>	<u>(9,728)</u>	<u>(1,879)</u>

(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 Group'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:

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	December 31, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss-current					
Beneficiary certificate - Fund	\$ 18,059	18,059	-	-	18,059
Domestic listed shares	34,219	34,219	-	-	34,219
Foreign unlisted shares	235,634	-	-	235,634	235,634
Forward exchange contract	109	-	109	-	109
Subtotal	<u>288,021</u>	<u>52,278</u>	<u>109</u>	<u>235,634</u>	<u>288,021</u>
Financial assets at fair value through profit or loss-non-current					
Private funds	<u>120,530</u>	-	-	120,530	120,530
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	<u>97,829</u>	97,829	-	-	97,829
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	348,748	348,748	-	-	348,748
Domestic and foreign unlisted shares	<u>230,952</u>	-	-	<u>230,952</u>	<u>230,952</u>
Subtotal	<u>579,700</u>	<u>348,748</u>	-	<u>230,952</u>	<u>579,700</u>
Cash and cash equivalents	960,450	-	-	-	-
Time deposits	2,400	-	-	-	-
Receivables	2,080,603	-	-	-	-
Other current financial assets	177,568	-	-	-	-
Guarantee deposits paid	103,589	-	-	-	-
Other non-current assets-restricted deposits	<u>126,127</u>	-	-	-	-
Subtotal	<u>3,450,737</u>	-	-	-	-
Total	<u>\$ 4,536,817</u>	<u>498,855</u>	<u>109</u>	<u>587,116</u>	<u>1,086,080</u>
Financial liabilities at fair value through profit or loss					
Convertible bonds with embedded derivative	\$ 6,164	-	6,164	-	6,164
Financial liabilities measured at amortized cost					
Short-term loans	1,843,103	-	-	-	-
Long-term loans (including current portion)	1,728,226	-	-	-	-
Lease liabilities	700,671	-	-	-	-
Payables	1,297,821	-	-	-	-
Bonds payable	448,053	-	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	<u>5,879</u>	-	-	-	-
Subtotal	<u>6,023,753</u>	-	-	-	-
Total	<u>\$ 6,029,917</u>	-	<u>6,164</u>	-	<u>6,164</u>

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	December 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Beneficiary certificate - Fund	\$ 22,031	22,031	-	-	22,031
Domestic listed shares	165,338	-	-	165,338	165,338
Forward exchange contract	530	-	530	-	530
Subtotal	<u>187,899</u>	<u>22,031</u>	<u>530</u>	<u>165,338</u>	<u>187,899</u>
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	<u>113,153</u>	<u>113,153</u>	-	-	<u>113,153</u>
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	583,986	583,986	-	-	583,986
Domestic and foreign unlisted shares	<u>275,706</u>	-	-	<u>275,706</u>	<u>275,706</u>
Subtotal	<u>859,692</u>	<u>583,986</u>	-	<u>275,706</u>	<u>859,692</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 796,031	-	-	-	-
Time deposits	2,400	-	-	-	-
Receivables	2,163,590	-	-	-	-
Other current financial assets	134,917	-	-	-	-
Guarantee deposits paid	105,152	-	-	-	-
Other non-current assets-restricted deposits	<u>7,710</u>	-	-	-	-
Subtotal	<u>3,209,800</u>	-	-	-	-
Total	<u>\$ 4,370,544</u>	<u>719,170</u>	<u>530</u>	<u>441,044</u>	<u>1,160,744</u>
Financial liabilities at fair value through profit or loss					
Convertible bonds with embedded derivative	\$ 11,239	-	11,239	-	11,239
Subtotal	<u>11,239</u>	-	<u>11,239</u>	-	<u>11,239</u>
Financial liabilities measured at amortized cost					
Short-term loans	1,340,554	-	-	-	-
Long-term loans (including current portion)	1,273,963	-	-	-	-
Lease liabilities	803,158	-	-	-	-
Payables	1,401,867	-	-	-	-
Bonds payable	938,786	-	-	-	-
Guarantee deposits paid (classified under other current liabilities and guarantee deposits received)	<u>5,637</u>	-	-	-	-
Subtotal	<u>5,763,965</u>	-	-	-	-
Total	<u>\$ 5,775,204</u>	-	<u>11,239</u>	-	<u>11,239</u>

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2) Valuation techniques for financial instruments 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.

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.

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	275,706	441,044
Total gains and losses recognized:			
In profit or loss	71,198	-	71,198
In other comprehensive income	-	(74,182)	(74,182)
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>230,952</u>	<u>587,116</u>

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	<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, 2024	\$ -	326,087	326,087
Total gains and losses recognized:			
In profit or loss	(10,173)	-	(10,173)
In other comprehensive income	-	(10,842)	(10,842)
Transfers out of Level 3	-	(122,507)	(122,507)
Capital reduction refunds	-	(3,782)	(3,782)
Purchased	-	274,532	274,532
Disposal	-	(12,271)	(12,271)
Reclassified	175,511	(175,511)	-
Balance at December 31, 2024	<u>\$ 165,338</u>	<u>275,706</u>	<u>441,044</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>
Total gains and losses recognized:		
Recognized in profit or loss	<u>\$ 71,198</u>	<u>(10,173)</u>
Recognized in other comprehensive income	<u>\$ (63,602)</u>	<u>(21,327)</u>

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

The Group'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”.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contain 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.

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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	·Price-sales ratio (as of December 31, 2025 and 2024 were 16.29 and 15.96) ·Market liquidity discount rate (as of December 31, 2025 and 2024 were 20%)	·The higher the ratio, the higher the fair value ·The higher the discount rate, the lower the fair value
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach	·Price-book ratio (as of December 31, 2025 and 2024, were 1.54~7.54 and 1.55~4.68) ·Price-sales ratio (as of December 31, 2025 was 2.95) ·Market liquidity discount rate (as of December 31, 2025 and 2024 were 10~20%)	·The higher the ratio, the higher the fair value ·The higher the discount rate, the lower the fair value

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

The Group'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>
December 31, 2025						
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%	-	-	20,749	(20,749)
Financial assets at fair value through other comprehensive income	Price-sales ratio	10%	-	-	2,346	(2,346)
December 31, 2024						
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	16,534	(16,534)	-	-
Financial assets at fair value through other comprehensive income	Price-sales ratio	10%	-	-	27,571	(27,571)

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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 inter-relationships with another input.

(y) Financial risk management

(i) Structure of risk management

Each department monitors, controls, tracks and supervises the risks of strategy, finance, and operation. The Group 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 Group 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 Group'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 Group 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(x).

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2025 and 2024, no other endorsements and guarantees were outstanding.

2) Liquidity risk

Liquidity risk is the risk that the Group 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 Group. In order to ensure that the Group has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2025 and 2024, the unused credit lines for short-term borrowings please refer note 6(m). Group's operational capital is sufficient to meet contractual obligations, therefore there is no liquidity risk of raising funds to fulfill contractual obligations. For information of the maturity date of financial liabilities, please refer to note 6(x).

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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 Group'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 market risks of the Group is explained as follows:

a) Currency risk

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

The Group 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 Group does not hedge the currency risk of investments in its subsidiaries.

b) Interest rate risk

The Group's interest rate risk mainly comes from bank deposits and bank loans at variable interest rate. The aforementioned risk is not significant. Please refer to note 6(x).

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

(z) 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, special reserve, retained earnings and non-controlling interests. The Board of directors monitors the level of dividends to shareholders as well as return on capital.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's debt to equity ratio at the end of the reporting period is as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 6,539,383	6,181,806
Less: cash and cash equivalents	(960,450)	(796,031)
Net debt	<u>\$ 5,578,933</u>	<u>5,385,775</u>
Total capital	<u>\$ 6,559,922</u>	<u>6,777,761</u>
Debt-to-equity ratio	<u>85.05 %</u>	<u>79.49 %</u>

On December 31, 2025, the debt-to-equity ratio increased primarily due to the parent company's new loan for urban renewal project of FPG building and subsidiary Minoshin International's new loan for new brand counter decorations and the increase in demand for inventory, resulted in an increase in total liabilities.

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

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

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

	January 1, 2025	Cash flows	Non-cash changes			December 31, 2025
			New lease	Acquisition	Others	
Short-term loans	\$ 1,340,554	502,304	-	-	245	1,843,103
Long-term loans (including current portion)	1,273,963	454,263	-	-	-	1,728,226
Lease liabilities	803,158	(152,078)	113,780	-	(64,189)	700,671
Bonds payable	938,786	(550,752)	-	-	60,019	448,053
Guarantee deposits received	5,637	242	-	-	-	5,879
Total liabilities from financing activities	<u>\$ 4,362,098</u>	<u>253,979</u>	<u>113,780</u>	<u>-</u>	<u>(3,925)</u>	<u>4,725,932</u>

	January 1, 2024	Cash flows	Non-cash changes			December 31, 2024
			New lease	Acquisition	Others	
Short-term loans	\$ 1,179,965	147,004	-	15,356	(1,771)	1,340,554
Long-term loans (including current portion)	530,357	743,182	-	-	424	1,273,963
Lease liabilities	669,472	(149,444)	302,539	-	(19,409)	803,158
Bonds payable	905,288	-	-	-	33,498	938,786
Guarantee deposits received	4,555	1,082	-	-	-	5,637
Total liabilities from financing activities	<u>\$ 3,289,637</u>	<u>741,824</u>	<u>302,539</u>	<u>15,356</u>	<u>12,742</u>	<u>4,362,098</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Mundus Smart Energy Co., Ltd	Other related parties
FEV Energy Taiwan Co., Ltd	Other related parties
J&V Energy Technology Co., Ltd.	Other related parties
Recharge Power Inc.	Other related parties
Yuan Ti Costume Co., Ltd.	Other related parties
KJ Lifestyle Ltd.	Other related parties
Shen He Xing Development Co., Ltd	Other related parties
LCL Capital Inc.	Corporate shareholder
Chih Pin Industrial Co., Ltd.	Corporate shareholder
Witty Mate Corporation	Corporate shareholder
Jing Shing Investment Corp.	Corporate shareholder

Note: The relationship and related-party transactions of HIC Group, please refer to the note 7 of HIC Group's consolidated financial statements (stock code: 1788)

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balance between the Group and related parties were as follows:

	<u>Sales</u>		<u>Receivables from related parties (classified under accounts receivable, net)</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Other related parties	\$ <u>12,060</u>	<u>12,719</u>	<u>4,472</u>

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

(ii) Purchases

The amounts of significant purchases and outstanding balance between the Group and related parties were as follows:

	<u>Purchases</u>		<u>Payables to related parties (classified under notes and accounts payables)</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Other related parties	\$ <u>5,845</u>	<u>-</u>	<u>21</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The pricing of purchase transactions with related parties were not significantly different from those with third -party vendors. The payment terms ranged from one to three months, which were no different from the payment terms given by third-party vendors.

(iii) Operating expenses

The amount of the Group's management service, postage and rental fees (classified under operating expenses) charged by the related parties were as follows:

	Operating expense	
	2025	2024
Other related parties	\$ <u>5,388</u>	<u>3,605</u>

(iv) Other income

The amount of the Group's commission income, service income and other income (classified under other income) received from the related parties were as follows:

	Other income		Other receivables to related parties (classified under other financial assets)	
	2025	2024	December 31, 2025	December 31, 2024
Other related parties	\$ <u>70</u>	<u>415</u>	<u>11</u>	<u>-</u>

(v) 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:

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

In February 2024, the Group 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.

(vi) Prepayments to related parties

The amount of the Group's prepayments to related parties was as follows:

Account item	Relationship with the Groups	December 31, 2025	December 31, 2024
Prepayments	Other related parties	\$ <u>21,627</u>	<u>-</u>

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Dividend expense

The dividends paid to related parties were as follows:

	December 31, 2025	December 31, 2024
LCL Capital Inc.	\$ 24,992	24,992
Chin Pin Industrial Co., Ltd	6,209	5,684
Witty Mate Corporation	13,467	12,900
Jing Shin Investment Corp.	<u>6,341</u>	<u>6,340</u>
	<u>\$ 51,009</u>	<u>49,916</u>

(c) Key management personnel compensation

	2025	2024
Short-term employee benefits	<u>\$ 123,061</u>	<u>122,336</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Account receivables	Short-term loans	\$ 175,769	215,731
Inventories	Short-term loans	183,259	321,429
Other current financial assets	Performance guarantee	117,321	108,102
Property, plant and equipment	Long-term and short-term loans	873,693	1,035,359
Other non-current assets- Restricted deposits (Note)	Long-term loans	<u>126,127</u>	<u>7,710</u>
		<u>\$ 1,476,169</u>	<u>1,688,331</u>

(Note): As of December 31, 2025, the restricted deposits under other non-current assets primarily represent the construction fund trust account for the FPG building urban renewal project.

As of December 31, 2025 and 2024, the Group has opened forward letters of credit amounting to \$483,273 and \$549,214, respectively. The note deposited in the bank for used forward letters of credit's collateral were \$197,257 and \$179,682, respectively, as collateral for 10% of the forward letters of credit.

(9) Commitments and contingencies:

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

	December 31, 2025	December 31, 2024
Outstanding standby letter of credit	<u>\$ 401,096</u>	<u>416,207</u>

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The Group provided a guarantee for notes as follows:

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

(c) Unrecognized contractual commitments:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	<u>\$ 837,746</u>	<u>881,538</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		67,787	956,171	1,023,958	69,960	867,060	937,020
Labor and health insurance		7,106	71,787	78,893	5,948	64,068	70,016
Pension		3,652	37,344	40,996	3,242	32,423	35,665
Remuneration of directors		-	25,760	25,760	-	23,051	23,051
Others		2,495	33,774	36,269	2,082	28,390	30,472
Depreciation		179,984	202,299	382,283	153,989	209,770	363,759
Amortization		181	126,796	126,977	-	110,249	110,249

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated 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 Group:

(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	"	Hexal 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.

Note 7: The amounts of the transactions and the ending balance had been eliminated in the consolidated financial statements.

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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

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			Highest shares/units for the period	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	742,000	
"	SinoPac Global Multi Income Fund	—	Current financial assets at fair value through profit or loss	1,000,000	12,569	- %	12,569	1,000,000	
The Company	TXOne Networks Inc.	—	Current financial assets at fair value through profit or loss	1,000,000	175,511	1.46 %	235,634	1,000,000	
"	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	3,667,639	
	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		

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			Highest shares/units for the period	Note	
				Shares/Units	Carrying value	Percentage of ownership (%)			Fair value
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	1,050,692	
"	DV Biomed Co., Ltd. / Stock	—	Current financial assets at fair value through other comprehensive income	513,022	16,566	2.11 %	30,089	513,022	
"	Axman Enterprise Co., Ltd / Stock	—	Current financial assets at fair value through other comprehensive income	1,405,333	61,123	4.02 %	24,031	1,405,333	
	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	14,083,737	
"	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	900,000	
"	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	2,000,000	
"	Greenet Co., Ltd. / Stock	—	Non-current financial assets at fair value through other comprehensive income	9,902	792	0.07 %	1,520	9,902	
	Subtotal				278,207				
	Valuation adjustment				70,541				
	Total				348,748		348,748		
The Company	San Quan construction Ltd.	—	Non-current financial assets at fair value through other comprehensive income	1,200,000	12,000	- %	-	1,200,000	
"	Teletronics International Inc.	—	Non-current financial assets at fair value through other comprehensive income	740,600	27,855	- %	-	740,600	
"	Power World Fund, Inc.	—	Non-current financial assets at fair value through other comprehensive income	304,760	3,048	5.68 %	3,333	304,760	
"	Aerovision Avionics Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,656,000	14,400	4.36 %	23,760	1,656,000	
"	Acradia Design Systems Inc.	—	Non-current financial assets at fair value through other comprehensive income	150,000	23,034	- %	-	150,000	
"	China Yes Infor Media (Cayman) Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,000,000	6,361	- %	-	1,000,000	
"	Universal EC Inc.	—	Non-current financial assets at fair value through other comprehensive income	598,062	17,299	1.20 %	22,780	598,062	
"	Tungya Collins Ltd.	—	Non-current financial assets at fair value through other comprehensive income	2,000	83,057	25.00 %	85,130	2,000	
"	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	1,250,000	
"	Leadsun Investment	—	Non-current financial assets at fair value through other comprehensive income	787,500	5,577	7.50 %	5,864	787,500	
"	Viscovery Pte Ltd	—	Non-current financial assets at fair value through other comprehensive income	1,833,333	19,882	6.34 %	2,189	1,833,333	
"	Uniconn Interconnections Technology Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	3,298,006	58,526	5.71 %	-	3,298,006	
"	Taiwan Depository & Clearing Corporation	—	Non-current financial assets at fair value through other comprehensive income	2,320	268	- %	367	2,320	
"	Jing Chi Biomed Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	795,348	30,305	2.08 %	25,685	824,997	
"	Great Formosa Healthcare	—	Non-current financial assets at fair value through other comprehensive income	1,428,750	13,325	9.53 %	12,544	1,428,750	
"	ANIMA INC.	—	Non-current financial assets at fair value through other comprehensive income	625,000	14,878	5.00 %	9,379	625,000	
"	KIRABASE Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	600,000	18,000	17.65 %	23,464	600,000	
	Subtotal				350,755				
	Valuation adjustment				(127,426)				
	Total				223,329		223,329		
HI- Clearance Inc.	Taiwan Depository & Clearing Corporation	—	Non-current financial assets at fair value through other comprehensive income	2,320	268	- %	268	2,320	
"	EPED Inc.	—	Non-current financial assets at fair value through other comprehensive income	1,406,000	45,000	4.87 %	7,355	1,406,000	
Taicha	Shenshang Technologies Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	-	-	6.20 %	-	-	
	Subtotal				45,268				
	Valuation adjustment				(37,645)				
	Total				7,623		7,623		
	Total				579,700		579,700		

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COLLINS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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
- (vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Jesco International	1	Operating expense	69,093	Not significantly different from non-related parties	0.78%
0	"	"	1	Account payables-related parties	8,671	"	0.07%
0	"	CICL	1	Operating expense	5,823	"	0.07%
0	"	Commend HD	1	Operating expense	15,873	"	0.18%
0	"	"	1	Other payable	1,566	"	0.01%
0	"	HIC	1	Other income	14,081	"	0.16%
0	"	"	1	Other receivable	10,000	"	0.08%
0	"	Yuguang Energy	1	Other receivable	36,000	"	0.27%
0	"	"	1	Other income	1,151	"	0.01%
0	"	COLLTEX HK	1	Other income	1,056	"	0.01%
1	Commend HD	Commend HK	3	Other income	10,692	"	0.12%
1	"	"	3	Account receivables-related parties	42,358	"	0.32%
2	GLGK	Commend HD	3	Other income	20,913	"	0.24%
2	"	"	3	Other receivable	23,720	"	0.18%
3	Xing Chang	HIC	3	Other income	2,040	"	0.02%

Note 1: The number is filled in as follows:

1. 0 represents the parent company
2. Subsidiary company number starts with Arabic numeral 1

Note 2: Relationship of the counterparties:

1. Transactions are between the parent company and its subsidiary.
2. Transactions are between the subsidiary and the parent company.
3. Transactions are between subsidiaries.

Note 3: The section only disclosed the information of the account balance over 1,000 thousands.

Note 4: For business relationships and significant inter-company transactions of HIC, please refer to HIC (Stock Code: 1788)'s consolidated financial statements note 13.

Note 5: The amounts of the transactions and the ending balance had been eliminated in the consolidated financial statements.

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COLLINS CO., LTD. AND SUBSIDIARIES
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(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			Highest shares of ownership	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	5,000	(229)	(229)	Subsidiary
"	Collins BVI	BVI	Investment activities	36,024	36,024	1,159	100.00 %	66,901	1,159	141	141	"
"	Q.C.L.	Canada	Trade	5,607	5,607	80	78.26 %	336,171	80	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	2,385,536	368,510	14,775	"
"	Xing Chang	New Taipei	Investment activities	832,440	832,440	10,398,000	100.00 %	828,236	10,398,000	41,103	41,103	"
"	Growtrend	Hsinchu	Medical equipment wholesale and retail	76,288	76,288	7,497,840	52.08 %	12,109	7,497,840	(16,128)	(8,451)	"
"	COLLTEX HK	Hong Kong	Trade	59,971	59,971	2,000,000	100.00 %	110,016	2,000,000	51,238	51,238	"
"	Jesco International	New Taipei	Manpower dispatch	30,030	30,030	2,000,000	100.00 %	26,382	2,000,000	1,420	1,420	"
"	Minoshin International	Taipei	Trade	121,000	121,000	7,658,011	67.71 %	114,292	7,658,011	(36,584)	(24,770)	"
"	Yuguang Energy	New Taipei	Energy technical services	48,180	48,180	4,368,000	78.00 %	30,076	4,368,000	(14,257)	(11,180)	"
"	Collins Energy Solutions	Taipei	Energy technical services	171,229	171,229	17,085,000	51.00 %	156,807	17,085,000	(27,554)	(14,053)	"
"	Collins Jubilee Energy and Technology	New Taipei	Energy technical services	70	700	7,000	70.00 %	15	70,000	(65)	(45)	"
"	Sanho Healthcare	Chiayi	Medical service	59,960	81,280	3,747,742	10.58 %	61,731	5,080,000	(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	1,100,000	32,368	1,187	"
"	Asia Logistics	Taipei	Transportation business	22,520	22,520	2,000,000	10.00 %	20,238	2,000,000	1,199	96	"
"	Easting Biotechnology	New Taipei	Medical product manufacturing	74,466	74,466	1,145,810	26.22 %	5,430	1,145,810	1,440	377	"
"	HEXAI Group Limited	Hong Kong	Cross-border E-commerce	29,359	-	351,220	24.00 %	29,356	351,220	(178)	(31)	"
				1,849,236	1,841,827			2,054,076	-		107,818	
Collins Energy Solutions	CE Sone	Taipei	Energy technical services	3,000	3,000	300,000	100.00 %	2,756	2,300,000	(61)	(61)	Subsidiary
"	Tuoson Energy	Taipei	Energy technical services	60,000	60,000	6,000,000	100.00 %	47,793	6,000,000	(6,040)	(6,040)	"
"	De Rui Technology	Taipei	Energy technical services	11,000	11,000	1,250,000	78.13 %	(2,436)	1,250,000	(7,364)	(5,753)	"
"	Wincharge Technology	Taipei	Charging piles management system	56,241	56,241	2,051,840	33.75 %	81,323	2,051,840	(1,266)	(509)	"
"	Puden Solar Energy	Taipei	Solar energy system engineering	20	20	756,031	100.00 %	2,604	756,031	(1,380)	(1,380)	"
"	Japan Collins Energy Solutions	Japan	Energy technical services	2,073	-	990	100.00 %	1,806	990	(172)	(172)	"
	Kailan Energy	New Taipei	Energy technical services	135,000	135,000	13,500,000	15.00 %	131,998	13,500,000	(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	99,999	28	28	Subsidiary
"	Japan Wincharge Technology	Japan	Energy technical services	2,075	-	990	100.00 %	1,848	990	(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	10,000	(1,059)	(1,059)	Subsidiary
								USD 1,759		USD (34)	USD (34)	
Commend HD	Commend HK	Hong Kong	Trade	HKD 500	HKD 500	500,000	100.00 %	4,984	500,000	(559)	(559)	Subsidiary
								USD 159		USD (18)	USD (18)	
Xing Chang	HIC (Note3)	New Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	171,813	171,813	6,519,991	14.64 %	815,307	6,519,991	368,510	39,580	Subsidiary
Minoshin International	LDR Co., Ltd.	Taipei	Food and beverage Industry	100	-	10,000	100.00 %	(4,972)	10,000	(5,072)	(5,072)	Subsidiary

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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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: Except for associated companies the amount of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 3: 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).

(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 January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest shares 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 4)	28,242 (USD900)	-	-	28,242 (USD900)	1,759 (USD56) (Note 1)	100.00%	1	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: GLGK was eliminated in the consolidated financial statements.

Note 3: For the mainland investment information of HIC please refer to note13(c) of the consolidated financial report of HIC (stock code: 1788).

Note 4: Invest in GLGK through Commend HD.

(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: December 31, 2025 USD : TWD = 1 : 31.38

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(14) Segment information:

(a) General information

The Group's operating segment information and reconciliation are as follows:

- (i) Trading business department: it is engaged in the export of all kinds of groceries, ready-made garments, trading of home furnishings and flooring, sales to medium large importers and distributors in the United States, Canada, other America regions and European regions.
- (ii) Fashion life business department: it is engaged in the exclusive sales agency business of Hong Kong brand G2000, and European boutiques, as well as casual apparel distribution business.

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- (iii) Kidney dialysis business department: it sells all kinds of hemodialysis related consumables to hospitals, clinics and distributors.
- (iv) Other business department: it is engaged in domestic and foreign investment, as well as sales of dental consumables, green energy business and other businesses.

The reportable segments are the Group's strategic departments. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately.

The information and reconciliation of the operating departments of the consolidated companies are as follows:

	2025					Total
	Department of trading	Department of fashion	Department of kidney dialysis	Department of other	Reconciliation and elimination	
Revenue						
Revenue from external customers	\$ 2,884,654	1,482,414	2,871,538	1,640,130	-	8,878,736
Intersegment revenues	5,823	69,694	-	95	(75,612)	-
Interest income	2,256	543	-	12,424	(539)	14,684
Total revenue	<u>\$ 2,892,733</u>	<u>1,552,651</u>	<u>2,871,538</u>	<u>1,652,649</u>	<u>(76,151)</u>	<u>8,893,420</u>
Interest expenses	<u>\$ 14,527</u>	<u>21,556</u>	<u>17,642</u>	<u>49,287</u>	<u>-</u>	<u>103,012</u>
Depreciation and amortization	<u>\$ 23,821</u>	<u>136,223</u>	<u>284,002</u>	<u>65,214</u>	<u>-</u>	<u>509,260</u>
Share of profit (loss) of associates accounted for using equity method	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>2,911</u>	<u>-</u>	<u>2,911</u>
Reportable segment profit	<u>\$ 189,103</u>	<u>(38,726)</u>	<u>203,800</u>	<u>88,267</u>	<u>-</u>	<u>442,444</u>

The intersegment revenue amounted to 76,151 was eliminated in total reportable segment revenue in 2025.

	2024					Total
	Department of trading	Department of fashion	Department of kidney dialysis	Department of other	Reconciliation and elimination	
Revenue						
Revenue from external customers	3,123,187	1,594,248	2,896,697	1,259,553	-	8,873,685
Intersegment revenues	6,327	73,682	-	-	(80,009)	-
Interest income	1,810	336	-	10,470	(170)	12,446
Total revenue	<u>\$ 3,131,324</u>	<u>1,668,266</u>	<u>2,896,697</u>	<u>1,270,023</u>	<u>(80,179)</u>	<u>8,886,131</u>
Interest expenses	<u>\$ 29,229</u>	<u>16,272</u>	<u>13,812</u>	<u>42,459</u>	<u>-</u>	<u>101,772</u>
Depreciation and amortization	<u>\$ 22,380</u>	<u>139,250</u>	<u>265,548</u>	<u>48,830</u>	<u>-</u>	<u>476,008</u>
Share of profit (loss) of associates accounted for using equity method	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>99</u>
Reportable segment profit	<u>\$ 156,996</u>	<u>66,442</u>	<u>165,512</u>	<u>108,581</u>	<u>-</u>	<u>497,531</u>

The intersegment revenue amounted to \$80,179 was eliminated in total reportable segment revenue in 2024.

(Continued)

COLLINS CO., LTD. AND SUBSIDIARIES
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(b) Geographic information

- (i) Product type and labor service type information: This information has been disclosed in Note 14(a) Operation Department Information and Adjustments.
- (ii) In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from external customers:

<u>Geographical information</u>	<u>2025</u>	<u>2024</u>
Taiwan	\$ 5,966,368	5,725,817
America	1,845,526	1,832,687
Canada	307,263	391,907
Central and South America	422,976	524,282
Other countries	<u>336,603</u>	<u>398,992</u>
Total	<u>\$ 8,878,736</u>	<u>8,873,685</u>

Non-current assets:

<u>Geographical information</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taiwan	\$ 5,395,428	5,613,568
Other countries	<u>110,104</u>	<u>131,848</u>
Total	<u>\$ 5,505,532</u>	<u>5,745,416</u>

Non-current assets includes property, plant and equipment, right-of-use assets, investment property, intangible assets, and other assets, excluding financial instruments, deferred tax assets and non-current assets of rights arising from an insurance contract.

- (iii) Major customers:

The Group did not have any customer with revenues exceeding 10% of the revenues for the years ended December 31, 2025 and 2024.