Stock Code: 3290

DONPON PRECISION INC. AND SUBSIDIARIES

Consolidated Financial Statements with CPA's Audit Report

For the Years Ended December 31, 2025 and 2024

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Statement

In accordance with the “Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies, Consolidated Financial Statements of Affiliated Companies, and Relationship Report”, the companies that should be included in the consolidated financial statements of affiliated companies for the year 2025 (from January 1, 2025 to December 31, 2025) are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with International Financial Reporting Standard 10 (IFRS 10) approved by the Financial Supervisory Commission (FSC), and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the previous consolidated financial statements of parent and subsidiary companies. Therefore, the consolidated financial statements of affiliated companies are no longer prepared separately.

Very truly yours,

Donpon Precision Inc.

Chairman: Tai, Chien-Chang

February 24, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Donpon Precision Inc.:

Opinion

The consolidated balance sheet of Donpon Precision Inc. and its subsidiaries (Donpon Group) as of December 31, 2025 and 2024 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows from January 1 to December 31 in 2025 and 2024, and the notes to the consolidated financial statements (including the summary of major accounting policies) are audited by the CPA.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Donpon 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

Please refer to Note IV(XV) of the Notes to Consolidated Financial Statements for the accounting policy on revenue recognition and Note VI(XXI) of the Notes to Consolidated Financial Statements for the explanation of revenue recognition.

Description of key audit matters:

The main business scope of the Donpon Group is the development and manufacture of molds for consumer electronics, communication networks, audio-visual, automobile industry, and medical product-related components, and the production, manufacturing, processing and sales services of plastic parts and electronic modules, etc. Since transaction terms of the sales income are subject to the terms and conditions of individual contracts, the timing of revenue recognition is a matter of great concern to CPA in performing our audit of the financial statements of the Donpon Group.

Applied auditing procedures:

CPA major procedures in the key audit matters include: understanding the major income types, contract specifications and transaction terms, and evaluating whether the timing of revenue recognition is correct; evaluating and testing the effectiveness of the design and implementation of the internal control system related to sales income; analyzing the changes in the top ten sales customers, and reviewing a sample of the original orders, delivery notes, and collection records; and selecting samples of sales income transactions for a period of time on or around the reporting date and verify related documents to evaluate the correctness of the revenue recognition period.

Other Matter

We have also audited the parent company only financial statements of Donpon Precision Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified 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 the IFRS, IAS, IFRIC, and 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 ability of Donpon Group 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 Donpon Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the financial reporting process of Donpon Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards, 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 internal control of Donpon Group.
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 ability of Donpon Group 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 circumstances may deprive the ability of Donpon Group to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the related notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 Donpon Group for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

CPA:

Securities Competent Authority Approval Certified Number	:	Chin-Kuan-Cheng-Shen-Tzu No. 1110333933 Chin-Kuan-Cheng-Shen-Tzu No. 1040007866

February 24, 2026

Notice to Readers

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

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

DONPON PRECISION INC. AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note VI (I))	$ 1,135,924	24	1,249,280	30
1150	Notes receivable, net (Note VI (IV))	70,359	1	71,088	2
1170	Accounts receivable, net (Notes VI (IV))	354,418	7	288,317	7
1180	Accounts receivable - related parties, net (Notes VI (IV) and VII)	726,075	15	475,101	11
1200	Other receivables (Note VI (V))	499	-	337	-
1220	Current income tax assets	512	-	510	-
130X	Inventories (Note VI (VI))	264,814	6	240,349	6
1410	Prepayments	86,807	2	76,560	2
1470	Other current assets (Note VI (XI))	1,295	-	1,126	-
1476	Other financial assets - current (Notes VI (XI) and VIII)	3,000	-	4,503	-
	Total current assets	2,643,703	55	2,407,171	58
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (Notes VI (II) and (XIV))	-	-	1	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI (III))	110,370	3	93,151	2
1550	Investments accounted for using equity method (Note VI (VII))	51	-	666	-
1600	Property, plant and equipment (Notes VI (VIII) and VIII)	1,631,375	34	1,146,739	27
1755	Right-of-use assets (Note VI (IX))	247,188	5	290,028	7
1780	Intangible assets (Note VI (X))	9,908	-	11,461	-
1840	Deferred income tax assets (Note VI (VIII))	20,565	1	16,886	1
1900	Other non-current assets (Notes VI (XI) and VII)	18,271	-	131,232	3
1920	Refundable deposits	84,745	2	73,852	2
1980	Other financial assets, non-current (Notes VI (XI) and VIII)	-	-	8,693	-
	Total non-current assets	2,122,473	45	1,772,709	42
	Total assets	**$ 4,766,176**	**100**	**4,179,880**	**100**

Code	Liabilities and equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Notes VI (XII) and VIII)	$ 353,987	7	303,736	7
2130	Contract liabilities - current (Note VI (XXI))	31,998	1	14,689	-
2170	Accounts payable	363,380	8	326,062	8
2180	Accounts payable - related parties (Note VII)	27	-	27	-
2200	Other payables (Note VI (XVII))	286,741	6	253,053	6
2230	Current tax liabilities	38,258	1	23,668	1
2280	Lease liabilities - current (Note VI (XV))	61,023	1	56,716	1
2300	Other current liabilities	4,063	-	13,906	-
2321	Corporate bonds due within one year or one business cycle (Notes VI (XIV) and VIII)	-	-	1,569	-
2322	Long-term borrowings due within one year (Notes VI (XIII) and VIII)	243,390	5	82,720	2
	Total current liabilities	1,382,867	29	1,076,146	25
	Non-current liabilities:				
2540	Long-term borrowings (Notes VI (XIII) and VIII)	1,005,387	21	524,644	13
2550	Liability reserve - non-current (Note VI (XVI))	9,272	-	8,459	-
2570	Deferred income tax liabilities (Note VI (XVIII))	-	-	661	-
2580	Lease liabilities - non-current (Note VI (XV))	158,844	4	202,683	5
2645	Guarantee deposits	544	-	538	-
	Total non-current liabilities	1,174,047	25	736,985	18
	Total liabilities	2,556,914	54	1,813,131	43
	Equity (Notes VI (XIX))**:**				
3100	Share capital	902,150	19	1,287,929	31
3200	Capital surplus	516,158	11	515,444	12
3300	Retained earnings	927,578	19	706,722	17
3400	Other equity interest	(136,624)	(3)	(143,346)	(3)
	Total equity	2,209,262	46	2,366,749	57
	Total liabilities and equity	**$ 4,766,176**	**100**	**4,179,880**	**100**

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

Chairman: Tai, Chien-Chang **Manager: Tai, Chien-Chang** **Accounting Manager: Chih, Kuo-Yuan**

DONPON PRECISION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
From January 1 to December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue** (Notes VI (XXI) and VII)	$ 2,325,539	100	1,966,910	100
5000	**Operating costs** (Notes VI (VI), (X), (XVII) and VII)	1,621,667	70	1,317,589	67
5900	**Gross profit from operations**	703,872	30	649,321	33
6000	**Operating expenses** (Notes VI (X), (XVII), (XXII) and VII):				
6100	Selling expenses	62,054	3	81,026	4
6200	General and administrative expenses	250,347	11	249,594	13
6300	Research and development expenses	48,947	2	50,665	3
6450	Expected credit impairment loss (Note VI (IV))	5,199	-	3,371	-
	Total operating expenses	366,547	16	384,656	20
6900	**Net operating income**	337,325	14	264,665	13
7000	**Non-operating income and expenses:**				
7100	Interest income (Note VI (XXIII))	25,834	1	23,192	1
7010	Other receivables (Note VI (XXIII))	8,685	-	10,037	1
7020	Other gains and losses (Notes VI (XIV) and (XXIII))	(30,750)	(1)	18,518	1
7050	Finance costs (Notes VI (XIV), (XV) and (XXIII))	(34,653)	(1)	(24,156)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	(615)	-	(2,094)	-
		(31,499)	(1)	25,497	2
7900	**Net profit before tax**	305,826	13	290,162	15
7950	**Income tax expenses (profits)** (Note VI (XVIII))	84,970	4	39,081	2
	Profit	220,856	9	251,081	13
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit obligation (Note VI (XVII))	-	-	(71)	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note VI (XIX))	12,205	1	(17,636)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	12,205	1	(17,707)	(1)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements (Note VI (XIX))	(5,483)	-	94,600	5
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(5,483)	-	94,600	5
8300	**Current period other comprehensive income (net of tax)**	6,722	1	76,893	4
8500	**Total comprehensive income in current period (attributable to the parent company)**	**$ 227,578**	**10**	**327,974**	**17**
	Earnings per share (NTD) (Note VI (XX))				
9750	**Earnings per share - basic**	**$**	**2.02**		**2.02**
9850	**Earnings per share - diluted**	**$**	**2.01**		**1.95**

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

Chairman: Tai, Chien-Chang **Manager: Tai, Chien-Chang** **Accounting Manager: Chih, Kuo-Yuan**

DONPON PRECISION INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company									
			Retained earnings				Other equity interest			
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Total equity
Balance as of January 1, 2024	$ 1,225,201	463,588	134,556	210,518	233,158	578,232	(187,946)	(32,364)	(220,310)	2,046,711
Profit	-	-	-	-	251,081	251,081	-	-	-	251,081
Other comprehensive income in the current period	-	-	-	-	(71)	(71)	94,600	(17,636)	76,964	76,893
Total comprehensive income in current period	-	-	-	-	251,010	251,010	94,600	(17,636)	76,964	327,974
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	12,135	-	(12,135)	-	-	-	-	-
Special reserve	-	-	-	34,157	(34,157)	-	-	-	-	-
Cash dividends	-	-	-	-	(122,520)	(122,520)	-	-	-	(122,520)
	-	-	12,135	34,157	(168,812)	(122,520)	-	-	-	(122,520)
Convertible corporate bond conversion	62,728	51,856	-	-	-	-	-	-	-	114,584
Balance as of December 31, 2024	**$ 1,287,929**	**515,444**	**146,691**	**244,675**	**315,356**	**706,722**	**(93,346)**	**(50,000)**	**(143,346)**	**2,366,749**
Balance as of January 1, 2025	$ 1,287,929	515,444	146,691	244,675	315,356	706,722	(93,346)	(50,000)	(143,346)	2,366,749
Profit	-	-	-	-	220,856	220,856	-	-	-	220,856
Other comprehensive income in the current period	-	-	-	-	-	-	(5,483)	12,205	6,722	6,722
Total comprehensive income in current period	-	-	-	-	220,856	220,856	(5,483)	12,205	6,722	227,578
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	25,100	-	(25,100)	-	-	-	-	-
Special reserve	-	-	-	(76,964)	76,964	-	-	-	-	-
	-	-	25,100	(76,964)	51,864	-	-	-	-	-
Cash capital reduction	(386,636)	-	-	-	-	-	-	-	-	(386,636)
Convertible corporate bond conversion	857	714	-	-	-	-	-	-	-	1,571
Balance as of December 31, 2025	**$ 902,150**	**516,158**	**171,791**	**167,711**	**588,076**	**927,578**	**(98,829)**	**(37,795)**	**(136,624)**	**2,209,262**

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

Chairman: Tai, Chien-Chang **Manager: Tai, Chien-Chang** **Accounting Manager: Chih, Kuo-Yuan**

DONPON PRECISION INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
From January 1 to December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 305,826	290,162
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	154,414	150,120
Amortization expense	5,323	6,588
Expected credit impairment loss	5,199	3,371
Net losses on financial assets or liabilities at fair value through profit or loss	1	190
Interest expenses	34,162	21,582
Interest income	(25,834)	(23,192)
Share of profit of associates and joint ventures accounted for using equity method	615	2,094
Gain on disposal of property, plant and equipment	(2,155)	(1,523)
Transfer cost of property, plant and equipment	-	71
Loss (Gain) on lease contract modification	(49)	45
Total adjustments to reconcile	171,676	159,346
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (Increase) in notes receivable	947	(36,788)
Decrease (Increase) in accounts receivable	(68,872)	28,908
Accounts receivable - decrease (increase) in related parties	(242,420)	9,041
Increase in other receivables	(253)	(73)
Increase in inventory	(21,902)	(35,456)
Increase in prepayments	(8,441)	(40,061)
Decrease (Increase) in other current assets	(160)	147
Decrease in net defined benefit asset	-	244
Total changes in operating assets	(341,101)	(74,038)
Changes in operating liabilities:		
Increase (Decrease) in contract liabilities	17,188	(1,044)
Increase in accounts payable	34,936	34,064
Accounts payable - decrease in related parties	-	(47)
Increase in other payables	11,368	52,369
Increase in liability reserve	742	4,498
Increase (Decrease) in other current liabilities	(9,908)	7,519
Total changes in operating liabilities	54,326	97,359
Cash inflow generated from operations	190,727	472,829
Interest received	25,930	23,029
Interest paid	(33,546)	(19,476)
Income taxes paid	(75,360)	(100,936)
Net cash flows from operating activities	107,751	375,446
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(5,014)	(77,072)
Acquisition of property, plant and equipment	(405,503)	(363,005)
Proceed from disposal of property, plant and equipment	4,832	3,001
Acquisition of intangible assets	(3,798)	(3,315)
Increase in refundable deposits paid	(8,515)	(59,220)
Decrease in other financial assets	10,196	101,024
Increase in other non-current assets	(3,959)	(4)
Decrease (Increase) in prepayments for equipment	4,062	(122,715)
Net cash flows used in investing activities	(407,699)	(521,306)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	709,078	843,736
Decrease in short-term borrowings	(660,183)	(835,000)
Proceeds from short-term bills payable	-	60,000
Repayments of short-term bills payable	-	(90,000)
Long-term borrowings	742,057	322,174
Repay long-term borrowings	(109,573)	(99,747)
Increase in deposits received	4	486
Payment of lease liabilities	(59,486)	(60,665)
Cash dividends paid	-	(122,492)
Cash capital reduction	(386,636)	-
Net cash flows from financing activities	235,261	18,492
Effect of exchange rate fluctuations on cash held	(48,669)	47,608
Net decrease in cash and cash equivalents	(113,356)	(79,760)
Cash and cash equivalents at beginning of period	1,249,280	1,329,040
Cash and cash equivalents at end of period	**$ 1,135,924**	**1,249,280**

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

Chairman: Tai, Chien-Chang **Manager: Tai, Chien-Chang** **Accounting Manager: Chih, Kuo-Yuan**

DONPON PRECISION INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024
(Unless otherwise stated, all amounts are in thousands of NTD)

I. General

Donpon Precision Inc. (hereinafter referred to as "the Company"), formerly known as Donpon Industry Inc., was established with the approval of the Ministry of Economic Affairs on March 8, 1995, and its name was changed to "Donpon Precision Inc." by a resolution of the Shareholders' Meeting on January 12, 2001.

The main business scope of the Company and its subsidiaries (hereinafter collectively referred to as the "Consolidated Company") is the development and manufacture of molds for consumer electronics, communication networks, audio-visual, automobile industry, and medical product-related components, and the production, manufacturing, processing and sales services of plastic parts and electronic modules, please refer to Note XIV.

The Company's shares were approved for public offering on June 24, 2003, and have been listed on the Taipei Exchange since May 19, 2005.

II. The Authorization of Financial Statements

The consolidated financial statements were approved by the Company's Board of Directors on February 24, 2026.

III. Application of New and Revised International Financial Reporting Standards

(I) Impact of new and revised standards, amendments, and interpretations endorsed by the Financial Supervision Commission.

The application of the amendments to the IFRS Accounting Standards from January 1, 2025, did not have any material impact on the Consolidated Company's consolidated financial statement:

- Amendments to IAS 21, "Lack of convertibility"

(II) Effect of not adopting IFRS Accounting Standards recognized by the FSC

The consolidated company has assessed the application of the following newly amended IFRS Accounting Standards, which took effect on January 1, 2026, and determined that it will not have a significant impact on the consolidated financial report.

- Amendments to IFRS 17 and 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
- Amendments to IFRS 9 and IFRS 7 "Contracts referencing nature-dependent electricity"

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

The standards and interpretations that have been issued and amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC and may be relevant to the Consolidated Company are listed below:

Newly issued or amended standards	Main amendments	Effective date of the IASB's issuance
IFRS 18 “Presentation and disclosure in financial statements”	The new standard introduces three categories of income and expense, two income statement subtotals and a separate note on management performance measurement. These three amendments, together with enhanced guidance on how to break down information in the financial statements, lay a foundation for providing better and more consistent information for users and will affect all companies. • A more structured income statement: Under the current standard, companies using different formats to present their operating results will make it difficult for investors to compare financial performance between companies. The new standard adopts a more structured income statement, introduces a newly defined sub-total of “operating profit”, and requires that all incomes and expenses will be divided into three new categories based on a company's main operating activities. • Management-defined Performance Measures (MPMs): The new standard introduces a definition of MPM and requires companies to explain in a separate note to the financial statements why each measurement indicator provides useful information, how it is calculated, and how to reconcile the measurement indicator to the amounts recognized under IFRS accounting standards. • Segmented information: The new standard includes guidance on	January 1, 2027 Note: The Financial Supervisory Commission (FSC) issued a press release on September 25, 2025, announcing that Taiwan will adopt IFRS 18 in the fiscal year of 2028. If the Company identifies a need for early adoption, it may do so subject to approval by the Financial Supervisory Commission (FSC).

how companies can enhance the grouping of information in their financial statements. This includes guidance on whether information shall be included in the primary financial statements or further broken down in the notes.

The Consolidated Company is continuously evaluating the impact of the above standards and interpretations on the Consolidated Company's financial position and operating results, and the related impact will be disclosed when the evaluation is completed.

The Consolidated Company does not anticipate that the following newly issued and amended standards, which have not yet been endorsed, will have a material impact on the 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 “Disclosure Initiative - Subsidiaries without public accountability: disclosures” and amendments to IFRS 19
- Amendments to IAS 21, “Translation to a hyperinflationary presentation currency”

IV. Summary of Significant Accounting Policies

The summary of significant accounting policies adopted by the consolidated financial statements is as follows. The following accounting policies have been consistently applied to all periods of the consolidated financial statements.

(I) Statement of compliance

The 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (hereinafter referred to as “IFRSs endorsed by the FSC”).

(II) Basis of preparation

1. Basis of measurement

Except for the following important items in the balance sheet, the consolidated financial statements are prepared on the basis of historical cost:

(1) Financial assets at fair value through profit or loss;

(2) Financial assets at fair value through other comprehensive income.

2. Functional and presentation currencies

The functional currency of each entity of the Consolidated Company is the currency of the main economic environment where it operates. The consolidated financial statements are expressed in the functional currency of the Company, New Taiwan Dollars (NTD). All financial information expressed in NTD is expressed in thousands of NTD.

(III) Basis of consolidation

1. The basis for the preparation of consolidated financial statements

The entities for which consolidated financial statements are prepared include the Company and entities controlled by the Company (i.e., subsidiaries). The Company controls an investee when it is exposed to or has rights to variable compensation from its participation in the investee, and has the ability to affect such compensation through its power over the investee.

The Company begins to include the financial statements of the subsidiary in the consolidated financial statements from the date it obtains control over the subsidiary until the date it loses control. The transactions, balances, and any unrealized gains and losses between consolidated companies have been eliminated in full at the time of preparing the consolidated financial statements. The total consolidated income of the subsidiaries is attributed to the Company’s owners and non-controlling interests respectively, even if the non-controlling interests become loss-making balances as a result.

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

Changes in the Consolidated Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries 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 is recognized directly in equity and attributed to shareholders of the Company.

2. The subsidiaries in the consolidated financial statements

Subsidiaries included in this consolidated financial statements include:

Notes to Consolidated Financial Statements of Donpon Precision Inc. and Subsidiaries (Continued)

Investment company	Name of subsidiary	Nature of business	Shareholding percentage December 31, 2025	Shareholding percentage December 31, 2024	Notes
The Company	Donsun International Ltd. (Donsun International)	Overseas holding company	100%	100%	
Donsun International	Doncan International Ltd. (Doncan International)	Overseas holding company	100%	100%	
Doncan International	Doncan Precision (Jiangsu) Co., Ltd. (Doncan Jiangsu)	Manufacture and sales of plastic products and molds for automobile and electronics	- %	100%	Note 2
Doncan International	Doncan Precision (Nanjing) Co., Ltd. (Doncan Nanjing)	Manufacture of automotive electronic equipment system parts and glass parts	- %	100%	Note 2
The Company	Donkin International Ltd. (Donkin International)	Overseas holding company	100%	100%	
Donkin International	Donyun International Ltd. (Donyun International)	Overseas holding company. Its investees are engaged in the manufacturing and sales of automotive and electronic products in mainland China, Southeast Asia, and other regions.	90.70%	82.12%	Note 3
Donyun International	Donyun Plastic Manufactory Co., Ltd. (Donyun Plastic)	Manufacture and sales of plastic products and molds for automobile and electronics	100%	100%	
Donyun Plastic	Doncan Precision (Jiangsu) Co., Ltd. (Doncan Jiangsu)	Manufacture and sales of plastic products and molds for automobile and electronics	100%	- %	Note 2
Donyun Plastic	Doncan Precision (Nanjing) Co., Ltd. (Doncan Nanjing)	Manufacture of automotive electronic equipment system parts and glass parts	100%	- %	Note 2
Donyun International	Donpon Precision (Thailand) Co., Ltd. (Donpon (Thailand))	Manufacture and sales of plastic products and molds for automobile and electronics	100%	100%	Note 1
The Company	Donyun International Ltd. (Donyun International)	Overseas holding company. Its investees are engaged in the manufacturing and sales of automotive and electronic products in mainland China, Southeast Asia, and other regions.	3.87%	7.44%	Note 3
Doncan International	Donyun International Ltd. (Donyun International)	Overseas holding company. Its investees are engaged in the manufacturing and sales of automotive and electronic products in mainland China, Southeast Asia, and other regions.	5.43%	10.44%	Note 3
The Company	Don Bo Investment Inc. (Don Bo Investment)	Investments in various businesses	100%	100%	

(Note 1): On March 31, 2023, the board of directors the Company resolved to invest in a newly established subsidiary, Donpon Precision (Thailand) Co., Ltd.; On February 21, 2024, the board of directors resolved to approve the adjustment of the investment structure of Donpon Thailand from a 100% direct investment by the Company to a 100% investment by Donyun International, and the related registration has been completed.

(Note 2): On April 23, 2025, the Company’s board of directors approved a restructuring plan for the investment architectures of Doncan Jiangsu and Doncan Nanjing. Under this plan, Dongyu Plastics acquired 100% equity interests in both Doncan Jiangsu and Doncan Nanjing from Doncan International. The relevant registration procedures have been completed.

(Note 3): On April 2, 2025, the Company increased its capital investment in its wholly-owned subsidiary, Donkin International Ltd., by USD 4,412 thousand (approximately NTD 145,941 thousand). Subsequently, Donkin International Ltd. increased its capital in Donyun International Ltd., resulting in an increase in its shareholding in Donyun from 82.12% to 90.70%. As the Company and Doncan International did not subscribe to the capital increase in proportion to their existing holdings, their respective shareholding ratios in Donyun decreased from 7.44% to 3.87% and from 10.44% to 5.43%.

3. The Company has no subsidiary not included in the consolidated financial statement.

(IV) Foreign currencies

1. Foreign currency transaction

Foreign currency transactions are converted into the functional currency at the exchange rate on the transaction date. On the ending date of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are converted into the functional currency at the exchange rate on that date. Non-monetary items at fair value that are denominated in foreign currencies are converted into the functional currency at the exchange rate on the date of measurement of the fair value, while non-monetary items at historical cost that are denominated in foreign currencies are converted at the exchange rate on the transaction date.

Differences arising from foreign currency translations are generally recognized in profit or loss, but are recognized in other comprehensive income in the following circumstances:

(1) Designated as equity instruments at fair value through other comprehensive income;

(2) Designated as financial liabilities of net investment hedge of overseas operating entities, which are within the effective range of the hedge; or

(3) Eligible cash flow hedges, which are within the effective range of the hedge.

2. Overseas operating entities

Assets and liabilities of overseas operating entities, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rate on the reporting date; income and expense items are translated into NTD at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income.

When the disposal of an overseas operating entity results in a loss of control, joint control or significant impact, the cumulative translation differences related to the overseas operating entity are reclassified to profit or loss. Upon partial disposal of an investment in an associate or joint venture containing an overseas operating entity, the related cumulative translation differences are reclassified to profit or loss on a pro rata basis.

Foreign currency translation gains or losses resulting from monetary receivables or payables from an overseas operating entity for which repayment is not planned and is not expected in the foreseeable future are recognized in other comprehensive income as part of the net investment in the overseas operating entity.

(V) Standards for classification of current and noncurrent assets and liabilities

The Consolidated Company's assets that meet one of the following criteria are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be realized in its normal operating cycle, or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes;
3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Consolidated Company's liabilities that meet one of the following criteria are classified as current liabilities, and all other liabilities that are not current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled in the normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is to be settled within twelve months after the reporting period; or
4. The right to defer settlement of such liabilities for at least twelve months after the reporting period is not available at the end of the reporting period.

(VI) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to a fixed amount of cash with minimal risk of changes in value. Time deposits that meet the above definition and are held to satisfy short-term cash commitments rather than for investment or other purposes are presented as cash equivalents.

(VII) Financial instruments

Accounts receivable and debt securities issued are recognized as they are incurred. All other financial assets and liabilities shall be recognized when the Consolidated Company becomes a party to the contractual provisions of the instruments. Financial assets (other than accounts receivable that do not contain a significant financial component) or financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain a significant financial component are measured at their original transaction value.

1. Financial assets

If the purchase or sale of financial assets conforms to the customary trading, the Consolidated Company shall adopt consistent accounting treatment on the trading date or the settlement date for all purchases and sales of financial assets classified in the same manner.

Financial assets at initial recognition are classified into the following categories: financial assets at amortized cost, investments in equity instruments at FVTPL through other comprehensive income, or financial assets at FVTPL. The Consolidated Company will reclassify all affected financial assets from the first day of the next reporting period only when there is a change in the business model for financial assets management.

(1) Financial assets at amortized cost

A financial asset is measured at amortized cost if it is not designated as at fair value through profit or loss and meets the following conditions:

- The financial assets are held under the business model for the purpose of collecting contractual cash flows.
- The contractual terms of the financial asset generate cash flows on a specific date, which are entirely used to pay the principal and the interest on the principal amount outstanding.

Such assets are subsequently measured at their originally recognized amounts plus or minus accumulated amortization using the effective interest method, adjusted for the amortized cost of any allowance loss. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. Upon derecognition, the gains or losses are recognized in profit or loss.

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

On initial recognition, the Consolidated Company may irrevocably designate the subsequent changes in fair value of investment in equity instruments that is not held for trading as being presented in other comprehensive income. The above-mentioned selection is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a partial recovery of investment costs) is recognized in profit or loss. The other net gains or losses is recognized in other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date the Consolidated Company has the right to receive the dividends (usually the ex-dividend date).

(3) Financial assets at FVTPL

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income as described above (e.g., financial assets held for trading and managed and evaluated for performance on the fair value basis) are measured at fair value through profit or loss, including derivative financial assets. On initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Consolidated Company may irrevocably designate financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income as financial assets at FVTPL.

Such assets are subsequently measured at fair value, and its net gains or losses (including any dividends and interest income) are recognized in profit or loss.

(4) Impairment of financial assets

The Consolidated Company recognizes an allowance for losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets), and expected credit losses.

The allowance for losses of the following financial assets are measured based on 12-month expected credit losses, and the others are measured based on the expected credit losses over their lifetime:

- The credit risk of the debt securities is determined as low at the reporting date; and
- The credit risks of other debt securities and bank deposits (i.e., default risk occurs over the expected lifetime of the financial instruments) has not increased significantly since the initial recognition.

The allowance losses on accounts receivable are measured at an amount equal to lifetime expected credit losses.

When determining whether credit risk has increased significantly since initial recognition, the Consolidated Company shall consider reasonable and provable information (available without excessive cost or input), including qualitative and quantitative information, and analysis based on the Consolidated Company's historical experience, credit rating and forward-looking information.

The Consolidated Company assumes that the credit risk on financial assets has increased significantly if the contractual amounts are overdue for more than 90 days.

The Consolidated Company considers a financial asset to be in default if the contractual amount is overdue for more than 151 days or if it is unlikely that the borrower will fulfill its credit obligation to pay the Consolidated Company in full.

The lifetime expected credit loss refers to the expected credit loss arising from all possible defaults during the expected lifetime of the financial instrument.

Twelve-month expected credit loss refers to the expected credit loss arising from possible defaults within 12 months after the reporting date of the financial instrument (or for a shorter period if the expected lifetime of the financial instrument is shorter than 12 months).

The maximum period for measuring expected credit losses is the maximum contractual period for which the Consolidated Company is exposed to credit risk.

The expected credit loss is the probability-weighted estimate of the credit loss over the expected lifetime of the financial instrument. Credit losses are measured at the present value of all cash deficiencies, which is the difference between the collectible cash flows of the Consolidated Company under the contracts and the cash flows that the Consolidated Company expects to collect. Expected credit losses are discounted at the effective interest rate of the financial assets.

On each reporting date, the Consolidated Company will evaluate whether there is a credit impairment on financial assets measured at amortized cost. A financial asset is impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes the observable information on the following matters:

- Significant financial difficulties of the borrower or issuer;
- Defaults, such as delay or becoming overdue for more than one year;
- The Consolidated Company makes concessions to the Borrower that it would not otherwise consider for economic or contractual reasons related to the Borrower's financial difficulties.
- The borrower is very likely to file for bankruptcy or other financial reorganization; or
- The active market for the financial asset may disappear as a result of financial difficulties.

The allowance losses on financial assets measured at amortized cost are deducted from the carrying amount of the assets.

When the Consolidated Company does not have a reasonable expectation of recovering all or part of a financial asset, the total carrying amount of the financial asset will be directly reduced. The Consolidated Company will analyze the time and amount of write-offs individually on the basis of whether recovery is reasonably expected. The Consolidated Company expects that the amount written off will not be reversed significantly. However, the financial assets that have been written off are still enforceable in order to comply with the Consolidated Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Consolidated Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset terminate, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity, or when it does not transfer or retain substantially all the risks and rewards of ownership, nor retain the control of the financial asset.

When entering into the transactions involving the transfer of financial assets, the Consolidated Company will continue to recognize the financial assets in the balance sheet if it will retain all or substantially all of the risks and rewards of ownership of the transferred assets.

2. Financial liabilities and equity instruments

(1) Classification as debt or equity

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

(2) Equity transaction

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Company are recognized at the proceeds received, net of direct issue costs.

(3) Financial liabilities

Financial liabilities are measured either at amortized cost or at FVTPL. Financial liabilities are classified as at fair value through profit or loss if they are held for trading, derivative instruments or designated at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, with related net gains and losses (including any interest expenses) recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Upon derecognition, any gain or loss is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Consolidated Company derecognizes financial liabilities when the Company’s contractual obligations are fulfilled, cancelled or they expire.

When the terms of a financial liability are modified and the cash flows of the modified liability are significantly different, the original financial liability is derecognized and the new financial liability is recognized at fair value on the basis of the modified terms.

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

(5) Mutual offset of financial assets and liabilities

Financial assets and financial liabilities are mutually offset and presented on the balance sheet on a net basis only when the Consolidated Company has a legally enforceable right to do so and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3. Derivative financial instruments

Derivative instruments are measured at fair value on initial recognition; subsequently measured at fair value, with gains or losses arising from remeasurement recognized directly in profit or loss.

(VIII) Inventories

Inventories are measured at the lower of cost or net realizable value. Costs include the cost of acquisition, production or processing and other costs incurred in bringing the goods to the place and condition in which they are available for use, and are calculated using the weighted mean method. The cost of finished goods and goods-in-process inventories includes manufacturing costs that are apportioned by appropriate proportion according to normal production capacity.

Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale in normal operations.

(IX) Investment in associates

An associate is an entity over which the Consolidated Company has significant influence on its financial and operating policies but does not control or jointly control it.

The Consolidated Company accounts for the interests of an associate using equity method. Under the equity method, it is recognized at cost upon the original acquisition, and the cost of investment includes the transaction cost. The carrying amount of an investment in an associate includes goodwill recognized at the time of the original investment, less any accumulated impairment losses.

The consolidated financial statements include the amounts of the profit or loss and other comprehensive income of each such investment associate recognized by the Consolidated Company according to the equity proportion for the period from the date of acquisition of significant influence to the date of loss of significant influence, adjusted for consistency with the Consolidated Company's accounting policies. Where a change in equity of the associate other than profit or loss and other comprehensive income occurs, which does not affect the shareholding ratio of the Consolidated Company in the associate, the Consolidated Company recognizes the change in equity attributable to the share of the associate entitled to the Consolidated Company as capital surplus in proportion to its shareholding ratio.

Unrealized profits and losses arising from transactions between the Consolidated Company and its associate are recognized in the associate’s financial statements only to the extent that they are not related to the investors’ interests in the associate. When the share of losses to be recognized by the Consolidated Company in an associate in proportion equals or exceeds its interest in that associate, it will cease to recognize its losses, and will recognize additional losses and related liabilities only to the extent that legal obligations or constructive obligations occur or payments have been made on behalf of the investee company.

The Consolidated Company ceases to use the equity method from the date it ceases to invest in an associate and measures the retained interest at fair value. The difference between the fair value of the retained interest and the disposal price and the carrying amount of the investment on the date when the equity method ceases to be used is recognized in current profit or loss. All amounts in connection with the investment previously recognized in other comprehensive income are accounted for on the same basis as would be required if the associate had directly disposed of the related assets or liabilities, that is, the profits or losses previously recognized in other comprehensive income are required to be reclassified to profit or loss (or retained earnings) upon the disposal of the related assets or liabilities. Therefore, when the associate ceases to use the equity method, the profits or losses are reclassified from equity to profit or loss (or retained earnings). If the Consolidated Company's ownership interest in an associate decreases but the equity method continues to be applied, the Consolidated Company will reclassify the profits or losses in connection with the decrease in ownership interest previously recognized in other comprehensive income in proportion to the decrease in the manner described above.

When the associate issues new shares, if the Consolidated Company does not subscribe in proportion to its shareholding ratio, resulting in the change in the shareholding ratio and the increase or decrease in the net equity in the investment, the increase or decrease is adjusted for capital surplus and investments accounted for using the equity method; if the adjustment is to write down capital surplus but the balance of capital surplus from investments accounted for using the equity method is not sufficient, the difference is debited to retained earnings. If the Consolidated Company's ownership interest in an associate is reduced due to its failure to subscribe the shares according to shareholding ratio, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall 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.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including borrowing costs for capitalization) less accumulated depreciation and any accumulated impairment.

If the significant components of property, plant and equipment have different useful lives, they are accounted for as separate items (main components) of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenditures are capitalized only when the future economic benefits are likely to flow to the Consolidated Company.

3. Depreciation

Depreciation is calculated by asset cost less its residual value and is recognized in profit or loss over the estimated useful life of each component using straight-line method.

Land is not depreciated.

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

(1) Property and building 5-50 years

(2) Other equipment 2-15 years

(3) Leasehold improvements 3-13 years

(4) The main components of machinery and equipment and their useful lives are as follows:

Component	Useful life
Machinery and equipment:	
Forming machine	2-12 years
Fine engraving machine	8-10 years

Coating machine	12 years
Others	2-12 years

The Consolidated Company reviews depreciation methods, useful lives and residual values at each reporting date and makes appropriate adjustments when necessary.

(XI) Leases

The Consolidated Company assesses whether a contract is or contains a lease at the establishment date. A contract is or contains a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration.

1. Lessee

The Consolidated Company recognizes a right-of-use asset and a lease liability at the lease inception date. The right-of-use asset is measured initially at cost, which includes the original measured amount of the lease liability, adjusted for any lease payments made on or before the lease inception date, plus the original direct costs incurred and the estimated costs to disassemble and remove the underlying asset and restore the subject asset or its location, and less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. In addition, the Consolidated Company periodically evaluates the right-of-use asset for impairment and addresses any impairment losses incurred, and adjusts the right-of-use asset when the lease liabilities are remeasured.

Lease liabilities are originally measured at the present value of the lease payments outstanding on the commencement date of the lease. If the implicit rate of the lease is readily determinable, the discount rate will be that rate; if not, the Consolidated Company's incremental borrowing rate will be used. In general, the Consolidated Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities included:

(1) Fixed payments, including substantially fixed payments;

(2) Variable lease payments that depend on an index or rate, which are originally measured using the index or rate at the commencement date of the lease.

(3) Residual guarantee amounts that are expected to be paid; and

(4) The exercise price or penalty payable upon reasonable determination of the purchase option or lease termination option to be exercised.

Interest on lease liabilities is subsequently accrued using the effective interest method, and the lease liabilities are remeasured when the following occurs:

(1) A change in future lease payments resulting from a change in an index or a rate used to determine those payments;
(2) A change in the residual guarantee amount expected to be paid;
(3) A change in the valuation of the purchase option of the underlying assets;
(4) A change in evaluation of whether to exercise the option to extend or terminate the lease, resulting in a change in the evaluation of the lease term.
(5) Changes in the subject matter, scope or other terms of the lease.

When a lease liability is remeasured as a result of changes in the index or rate used to determine the lease payments, changes in the residual guarantee amount and changes in the evaluation of the option to purchase, extend or terminate, the carrying amount of the right-of-use asset is adjusted accordingly, and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the lease scope, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The Consolidated Company presents the right-of-use assets and lease liabilities that do not meet the definition of investment real estate in the balance sheet as line items.

For short-term leases of some dormitories, office equipment and computer information equipment and low-value underlying asset leases, the Consolidated Company chooses not to recognize the right-of-use assets and lease liabilities, but recognize the relevant lease payments as expenses on a straight-line basis during the lease period.

(XII) Intangible assets

1. Recognition and measurement

Expenses related to research activities are recognized in profit or loss as incurred.

Development expenditure can only be capitalized when it can be reliably measured, the technical or commercial feasibility of the product or process has been realized, the future economic benefits are likely to flow into the Consolidated Company, and the Consolidated Company intends and has sufficient resources to complete the development and use or sell the asset. Other development expenditures are recognized in profit or loss as incurred. After initial recognition, development expenditures for capitalization are measured at their cost less accumulated amortization and accumulated impairment.

Other intangible assets with finite useful lives acquired by the Consolidated Company are measured at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent expenses

Subsequent expenses are capitalized only to the extent that they will increase the future economic benefits of the related specific assets. All other expenses are recognized in profit or loss as incurred, including goodwill and brands developed internally.

3. Amortization

Amortization, other than goodwill, is calculated by asset cost less its estimated residual value and is recognized in profit or loss using straight-line method over the estimated useful life of the intangible asset since it is available for use.

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

Computer software costs: 1-5 years

The Consolidated Company reviews amortization methods, useful lives and residual values of intangible assets at each reporting date and makes appropriate adjustments when necessary.

(XIII) Impairment of non-financial assets

The Consolidated Company assesses on each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

For the purpose of impairment testing, a group of assets with cash inflows that are largely independent of other individual assets or groups of assets are considered to be the minimum identifiable asset group. The goodwill acquired in a business merger is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

Recoverable amount is the higher of fair value less disposal costs and value in use of the individual asset or cash-generating unit.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, an impairment loss is recognized.

The impairment loss is recognized immediately in profit or loss first of the current period to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit.

Non-financial assets other than goodwill are reversed only to the extent of not exceeding the carrying amount that would have no impairment loss been recognized for the asset in prior years, net of depreciation or amortization.

(XIV) Provisions for liabilities

Provisions for liabilities are recognized when the Consolidated Company has a present obligation as a result of a past event, it is probable that the Consolidated Company needs to spend resources with economic benefits to settle the obligation in the future, and the amount of such obligation can be reliably estimated. The provision for liabilities is discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the liability-specific risks, and the amortization of the discount is recognized as interest expense.

1. Warranty

The provision for warranty liabilities is recognized upon the sale of goods or services, which is measured based on historical warranty information and all possible results weighted by their respective probabilities.

2. Site restoration

In accordance with the lease agreements announced by the Consolidated Company, a provision for restoration liability of the leasehold improvements is made and recognized as a related expense over the lease term of the plant.

(XV) Revenue recognition

1. Revenue from customer contracts

Revenue is measured by the consideration to which the Consolidated Company is expected to be entitled as a result of the transfer of goods or services. Revenue is recognized when the Consolidated Company fulfills its obligations by transferring control over the goods or services to the customer. The Consolidated Company’s major revenue items are described as follows:

(1) Sales of goods

The Consolidated Company manufactures and sells various types of electronic plastic products, molds, auto parts and electronic parts. The Consolidated Company recognizes revenue when the control over the products is transferred. Transfer of control over a product refers to that the product has been delivered to the customer, the customer has full discretion to the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the product in accordance with the sales contract and the acceptance terms have lapsed, or when the Consolidated Company has objective evidence to prove that all acceptance conditions have been met.

The Consolidated Company has a refund obligation for defects of auto parts due to standard warranty, and has recognized a provision for warranty liabilities due to such obligation.

The Consolidated Company recognizes accounts receivable based on the sales terms of the customer, and has an unconditional right to receive consideration at that time point.

(2) Financial components

The Consolidated Company expects that the time interval between the transfer of goods or services to the customer and the payment for the goods or services will not exceed one year under all customer contracts, therefore, it does not adjust the time value of money of the transaction price.

(XVI) Government grants

The Consolidated Company recognizes unconditional government grants as a deduction of other income or expense when the grants in connection with salaries and other operations are received. The Consolidated Company recognizes other asset-related grants as deferred revenue at fair value when it reasonably believes that the conditions attached to the government grants will be met and the grants will be received, and further recognizes the deferred revenue as a deduction of other income or expense on a systematic basis within the useful life of the asset. Government grants to compensate the expenses or losses incurred by the Consolidated Company are recognized in profit or loss on a systematic basis over the same period as the related expenses.

(XVII) Employee benefits

1. Defined contribution plans

   Appropriation obligations under determined appropriation plan are recognized as expenses over the period when employees render services.

2. Short-term employee benefits

   Short-term employee benefit obligations are recognized as expenses when the services are rendered. If the Consolidated Company has a present legal or constructive payment obligation for past services rendered by employees and the obligation can be reliably estimated, the amount is recognized as a liability.

(XVIII) Income tax

Income tax includes current and deferred income taxes. Current income taxes and deferred income taxes are recognized in profit or loss, except when they relate to business merger or items recognized directly in equity or other comprehensive income.

Current income taxes include estimated income tax payable or tax refund receivable based on taxable income (loss) in the current year, and any adjustments to income tax payable or tax refund receivable of the previous years. The amount is the best estimate of the amount expected to be paid or received based on the statutory or substantively legislated tax rate at the reporting date, after reflecting the uncertainty related to income tax (if any).

Deferred income taxes are measured and recognized for temporary differences between the carrying amounts of related assets and liabilities for the purpose of financial reporting and their tax basis. Deferred income tax is not recognized for temporary differences arising from:

1. Assets or liabilities originally recognized in a transaction that is not a business merger transaction and at the time of the transaction do not affect the accounting profit or taxable income (loss), and do not give rise to equivalent taxable and deductible;
2. The temporary differences arising from investments in subsidiaries, associates and joint ventures where the Consolidated Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax assets are recognized for deductible temporary differences in unused tax losses and unused income tax credits in later period of transfer, to the extent that it is probable that future taxable income will be available. It will be re-evaluated at each reporting date and the related income tax benefit are reduced to the extent that it is not likely to be realized; or the originally reduced amount is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Deferred income taxes are measured at the tax rates when the temporary differences are expected to be reversed, based on the statutory or substantially legislated tax rates at the reporting date, and have reflected the uncertainty related to income tax (if any).

The Consolidated Company offsets the deferred income tax assets and deferred income tax liabilities only when the following conditions are met:

1. It has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. The deferred income tax asset and deferred income tax liability are related to one of the following taxpayers that are subject to income tax levied by the same taxing authority;
   (1) The same taxpayer; or

(2) Different taxpayers, provided however that each taxpayer intends to settle the current income tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously in each future period when significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

(XIX) Earnings per share

The Consolidated Company presents basic and diluted earnings per share attributable to common shareholders of the Company. The basic earnings per share of the Consolidated Company are calculated by the profit or loss attributable to common shareholders of the Company divided by the weighted mean number of outstanding common shares in the current period. The diluted earnings per share are calculated by the profit or loss attributable to common shareholders of the Company and the weighted mean number of outstanding common shares adjusted against the impact of all potential diluted common shares. The Consolidated Company's potential diluted common stocks include convertible bonds and employee reward estimates.

(XX) Department information

The operating segments are components of the Consolidated Company engaging in operating activities that may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the Consolidated Company). The operating results of all operating segments are regularly reviewed by the main operating decision maker of the Consolidated Company to make decisions about the allocation of resources to the segments and evaluate their performance. Separate financial information is available for each operating segment.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the management prepares this consolidated financial statements, it must make judgments and estimations on the future situations (including climate-related risks and opportunities), which will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimations.

The management will continuously review estimates and underlying assumptions that are consistent with the Consolidated Company's risk management and climate-related commitments, and changes in estimates are recognized in the change period and in future periods affected.

The Consolidated Financial Statements do not contain information on accounting policies involving significant judgments that have a material impact on the amounts recognized in the Consolidated Financial Statements.

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash and cash equivalents	$ 2,162	1,948
Checks and demand deposits	1,133,762	1,210,154
Time deposits	-	37,178
Cash and cash equivalents shown in the consolidated statement of cash flows	$ 1,135,924	1,249,280

Please refer to Note VI (XXIV) for the disclosure of the interest rate risk and exchange rate risks and sensitivity analysis of the Consolidated Company's financial assets and liabilities.

(II) Financial assets at fair value through profit or loss - non-current

	December 31, 2025	December 31, 2024
Designated financial assets at FVTPL:		
Secured convertible bonds - rights of redemption	$ -	1

Please refer to Note VI(XXIII) for the amount remeasured at fair value and recognized in profit or loss.

None of the financial assets at fair value through profit or loss of the Consolidated Company had been provided as a pledge.

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

	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income:		
Domestic unlisted (non-OTC) stocks - Rock Electronic Optical Co., Ltd.	$ 4,862	1,588
Domestic non-public fund - CDIB-Mac Limited Partnership	28,480	21,343
Domestic unlisted (non-OTC) stocks - Great Optical Technology Corp.	-	-
Hong Kong unlisted stocks - Yu Wei International Limited	14,971	15,875
Domestic emerging stocks - HCmed Innovations Co., Ltd.	62,057	54,345
	$ 110,370	93,151

The equity instrument investments held by the consolidated company are long-term strategic investments not held for trading purposes, so they have been designated to be measured at fair value through other comprehensive gains and losses.

The Consolidated Company did not dispose of its strategic investments in 2025 and 2024, and the accumulated profits and losses during this period were not transferred in equity.

For market risk information, please refer to Note VI (XXV).

None of the financial assets at fair value through other comprehensive profit or loss of the Consolidated Company had been provided as a pledge.

The Consolidated Company invested in CDIB-Mac Limited Partnership (hereinafter referred to as CDIB-Mac) in November 2022. The term of CDIB-Mac is 10 years from the date of the initial closing. Upon resolution of the partners' meeting, the term may be extended twice, with each extension not exceeding one year. Upon initial recognition, the Consolidated Company designated its investment in the limited partnership as a financial asset at fair value through other comprehensive income. According to the IFRS Q&A issued by the Accounting Research and Development Foundation on June 15, 2023, such financial assets may not be designated as measured at fair value through other comprehensive income. However, pursuant to the FSC's Q&A regarding the retrospective application of financial asset classification for limited partnership investments, investments made prior to June 30, 2023, are not required to be retrospectively adjusted. Consequently, the Consolidated Company continues to recognize its investment in CDIB-Mac as a financial asset at fair value through other comprehensive income.

(IV) Notes and accounts receivable (including related parties), and overdue receivables

	December 31, 2025	December 31, 2024
Notes receivable - resulting from operating activities	$ 70,359	71,088
Accounts receivable - measured at amortized cost	365,097	296,228
Accounts receivable - related parties	726,075	475,101
Less: Allowance for impairment loss	10,679	7,911
Total	**$ 1,150,852**	**834,506**
Overdue receivables	$ 6,266	6,243
Less: Allowance for impairment loss	6,266	6,243
Total	**$ -**	**-**

The Consolidated Company used the simplified approach to estimate expected credit losses for all note and accounts receivables which is measured using lifetime expected credit losses. For this measurement, these notes and accounts receivable are grouped by a common credit risk characteristic that represents the customer's ability to pay all amounts due in accordance with the terms of the contract with the forward-looking information included, including general economic and related industry information.

The expected credit loss analysis of the consolidated company's note receivable and accounts receivable is as follows:

	December 31, 2025		
	Carrying amount of accounts and notes receivable	**Weighted average expected credit loss**	**Allowance for lifetime expected credit losses**
Not past due	$ 1,142,486	-%	-
Less than 90 days past due	4,752	-%	-
91-120 days past due	2,853	15.84%	452
121-150 days past due	1,735	30.09%	522
More than 151 days past due	9,705	100%	9,705
Total	**$ 1,161,531**		**10,679**

	December 31, 2024		
	Carrying amount of accounts and notes receivable	**Weighted average expected credit loss**	**Allowance for lifetime expected credit losses**
Not past due	$ 832,094	0.10%	804
Less than 90 days past due	4,675	31.21%	1,459
91-120 days past due	327	100%	327
121-150 days past due	-	-%	-
More than 151 days past due	5,321	100%	5,321
Total	**$ 842,417**		**7,911**

As of December 31, 2025 and 2024, the overdue receivables of the Consolidated Company were NTD 6,266 thousand and NTD 6,243 thousand, respectively. As they have been assessed individually to be credit-impaired, a full provision for credit losses has been recognized.

Changes in allowance losses for note receivable, accounts receivable, and overdue receivables of the Consolidated Company are as follows:

	2025	2024
Opening balance	$ 14,154	10,409
Recognized impairment loss	5,199	3,371

	2025	2024
Amounts written off as uncollectible during the year	(2,517)	-
Foreign currency exchange gains and losses	109	374
Ending balance	$ 16,945	14,154

None of the Consolidated Company’s notes and accounts receivable had been discounted or provided as collateral.

For other credit risk information, please refer to Note VI (XXIV).

(V) Other receivables

	December 31, 2025	December 31, 2024
Other receivables	$ 499	337

For credit risk information, please refer to Note VI (XXIV).

(VI) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 53,161	59,727
Semi-finished goods	48,009	45,361
Work in process	66,689	57,418
Finished goods	85,184	73,801
Goods	11,771	4,042
	$ 264,814	240,349

The composition for the cost of goods sold is as follows:

	2025	2024
Reversal of inventory sales	$ 1,547,649	1,255,662
Inventory obsolescence	7,952	11,900
Loss on inventory falling price	10,259	4,142
Unamortized manufacturing expenses	57,503	49,394
Revenue from sale of scraps	(861)	(3,307)
Inventory adjustment credits	(835)	(202)
	$ 1,621,667	1,317,589

None of the Consolidated Company's inventories had been provided as a pledge.

(VII) Investments accounted for using equity method

The Consolidated Company’s investments accounted for using equity method on the reporting date are presented as follows:

	December 31, 2025	December 31, 2024
Associate	$ 51	666

None of the Consolidated Company’s investments accounted for using the equity method have been pledged as collateral.

(VIII) Property, plant and equipment

The details of the changes in cost and depreciation of property, plant, and equipment of the Consolidated Company are as follows:

	Land	Property and building	Equipment	Leasehold improvements	Other equipment	Unfinished works and equipment to be inspected	Total
Cost or deemed cost:							
Balance as of January 1, 2025	$ 374,494	507,571	545,227	64,048	146,334	220,990	1,858,664
Current additions	-	241,200	105,549	549	30,698	47,056	425,052
Current disposal	-	-	(36,765)	-	(8,346)	-	(45,111)
Reclassification	-	222,511	109,730	-	2,356	(222,511)	112,086
Impact from change in exchange rate	6,045	16,439	13,911	243	1,607	6,956	45,201
Balance as of December 31, 2025	$ 380,539	987,721	737,652	64,840	172,649	52,491	2,395,892
Balance as of January 1, 2024	$ 224,100	496,422	556,972	57,318	108,862	38,208	1,481,882
Current additions	108,195	261	37,417	4,725	4,519	211,601	366,718
Current disposal	-	-	(29,759)	-	(11,880)	-	(41,639)
Reclassification	37,503	-	(37,423)	-	42,148	(39,131)	3,097
Impact from change in exchange rate	4,696	10,888	18,020	2,005	2,685	10,312	48,606
Balance as of December 31, 2024	$ 374,494	507,571	545,227	64,048	146,334	220,990	1,858,664
Depreciation:							
Balance as of January 1, 2025	$ -	121,841	412,639	58,607	118,838	-	711,925
Current depreciation	-	26,454	50,925	1,792	12,406	-	91,577
Current disposal	-	-	(34,881)	-	(7,553)	-	(42,434)
Reclassification	-	-	77	-	(72)	-	5
Impact from change in exchange rate	-	941	1,750	268	485	-	3,444
Balance as of December 31, 2025	$ -	149,236	430,510	60,667	124,104	-	764,517
Balance as of January 1, 2024	$ -	100,124	410,245	54,100	78,175	-	642,644
Current depreciation	-	18,868	53,684	2,582	13,090	-	88,224
Current disposal	-	-	(28,281)	-	(11,880)	-	(40,161)
Reclassification	-	-	(37,328)	-	37,328	-	-
Impact from change in exchange rate	-	2,849	14,319	1,925	2,125	-	21,218
Balance as of December 31, 2024	$ -	121,841	412,639	58,607	118,838	-	711,925
Carrying amount:							
December 31, 2025	$ 380,539	838,485	307,142	4,173	48,545	52,491	1,631,375
January 1, 2024	$ 224,100	396,298	146,727	3,218	30,687	38,208	839,238
December 31, 2024	$ 374,494	385,730	132,588	5,441	27,496	220,990	1,146,739

1. For disposal gain or loss, please refer to Note VI (XXIII).
2. Guarantee

   For the circumstances where the Consolidated Company's property, plant and equipment were provided as a pledge, please refer to Note VIII.
3. Property, plant and equipment in construction

   Donpon Thailand, a subsidiary of the Consolidated Company, purchased land for the construction of a new plant in January 2024 at a cost of THB 115,868 thousand and started the construction of the new plant in May 2024. As of December 31, 2025 and 2024, the accumulated capital expenditure amounts were THB 529,649 thousand and THB 344,965 thousand, respectively. The plant was completed and accepted in stages starting from October 2025, and has since officially commenced operations.

The aforementioned capital expenditures include capitalized borrowing costs related to land acquisition and plant construction. For the years 2025 and 2024, the capitalized amounts were THB 2,738 thousand and THB 0, respectively, with capitalization rates ranging from 3.44% to 3.95% and 0%, respectively.

(IX) Right-of-use assets

The changes in cost and depreciation of the lands, houses, buildings and transportation equipment leased by the Consolidated Company and recognized as right-of-use assets are detailed as follows:

	Land	Property and building	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 1, 2025	$ 37,163	265,973	27,762	330,898
Enhancements	-	3,491	20,349	23,840
Disposal	-	(5,588)	(11,139)	(16,727)
Impact from change in exchange rate	133	643	440	1,216
Balance as of December 31, 2025	$ 37,296	264,519	37,412	339,227
Balance as of January 1, 2024	$ 35,901	157,947	21,473	215,321
Enhancements	-	267,317	10,145	277,462
Disposal	-	(164,188)	(4,473)	(168,661)
Impact from change in exchange rate	1,262	4,897	617	6,776
Balance as of December 31, 2024	$ 37,163	265,973	27,762	330,898
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2025	$ 5,376	19,300	16,194	40,870
Depreciation	867	51,927	10,043	62,837
Disposal	-	(2,794)	(11,139)	(13,933)
Impact from change in exchange rate	53	1,814	398	2,265
Balance as of December 31, 2025	$ 6,296	70,247	15,496	92,039
Balance as of January 1, 2024	$ 4,328	124,580	12,070	140,978
Depreciation	891	53,542	7,463	61,896
Disposal	-	(164,188)	(3,695)	(167,883)
Impact from change in exchange rate	157	5,366	356	5,879
Balance as of December 31, 2024	$ 5,376	19,300	16,194	40,870
Carrying amount:				
December 31, 2025	$ 31,000	194,272	21,916	247,188
January 1, 2024	$ 31,573	33,367	9,403	74,343
December 31, 2024	$ 31,787	246,673	11,568	290,028

(X) Intangible assets

The details of cost and amortization of intangible assets of the Consolidated Company are as follows:

		Computer software costs
Cost:		
Balance as of January 1, 2025	$	32,909
Current additions		3,798
Current reclassification		(70)
Impact from change in exchange rate		251
Balance as of December 31, 2025	**$**	**36,888**
Balance as of January 1, 2024	$	28,751
Current additions		3,315
Impact from change in exchange rate		843
Balance as of December 31, 2024	**$**	**32,909**
Amortization:		
Balance as of January 1, 2025	$	21,448
Current amortization		5,323
Current reclassification		(5)
Impact from change in exchange rate		214
Balance as of December 31, 2025	**$**	**26,980**
Balance as of January 1, 2024	$	14,430
Current amortization		6,588
Impact from change in exchange rate		430
Balance as of December 31, 2024	**$**	**21,448**
Carrying amount:		
December 31, 2025	**$**	**9,908**
January 1, 2024	**$**	**14,321**
December 31, 2024	**$**	**11,461**

1. Amortization expense

   The Consolidated Company’s amortization expenses of intangible assets in 2024 and 2023 are presented in the following items of the consolidated statements of comprehensive income:

		2025	2024
Operating costs	$	3,015	4,544
Operating expenses		2,308	2,044
	$	**5,323**	**6,588**

2. Guarantee

   None of the Consolidated Company's intangible assets had been provided as a pledge.

(XI) Other financial assets - current, non-current, other current assets and other non-current assets

Other financial assets - current, non-current, other current assets, other current assets and other non-current assets of the Consolidated Company are detailed as follows:

	December 31, 2025	December 31, 2024
Long-term prepaid expenses	$ 6,621	2,559
Prepayments for equipment	11,650	128,673
Other financial assets - current	3,000	4,503
Other financial assets - non-current	-	8,693
Others	1,295	1,126
	$ 22,566	**145,554**

Other financial assets are restricted bank deposits and provided as collaterals for corporate bonds, bank loans and financing lines, please refer to Note VIII.

(XII) Short-term borrowings

The detail of the consolidated company's short-term borrowings is as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loan	$ 318,895	303,736
Secured bank loan	35,092	-
	$ 353,987	**303,736**
Unused short-term credit lines	**$ 710,174**	**434,458**
Interest rate range	**1.95%~3.38%**	**1.96%~3.71%**

1. Please refer to Note VIII for the circumstances where the Consolidated Company pledged assets as collaterals for loans.
2. Terms of loan contracts

   According to the loan contract, the Consolidated Company should maintain a current ratio of no less than 100% and a debt ratio of no more than 150% in the consolidated semiannual and annual financial statements reviewed or audited by a CPA during the borrowing period. If the aforementioned financial ratios are not met, the credit granting bank of such loan should reduce the credit line or shorten the loan term, or treat the loan as fully due when tracing back to the occurrence of such matter. As of December 31, 2025 and 2024, the relevant financial ratios of the Consolidated Financial Reports are all in compliance with the terms of the underlying loan contracts.

(XIII) Long-term borrowings

The details, conditions and terms of the Consolidated Company’s long-term borrowings are as follows:

	December 31, 2025			
	Currency	Interest rate range (%)	Due year	Amount
Unsecured bank loan	NTD	1.71767%~2.38%	2026.7.17-2030.9.30	$ 643,117
Secured bank loan	NTD	2.29%~3.32122%	2026.12.20-2035.9.11	605,660
				1,248,777
Less: amount due within one year				243,390
Total				$ 1,005,387
Unused short-term credit lines				$ 7,887

	December 31, 2024			
	Currency	Interest rate range (%)	Due year	Amount
Unsecured bank loan	NTD	1.71544%~2.22%	2026.7.17-2029.11.5	$ 130,625
Secured bank loan	NTD	2.29%~4.20076%	2026.12.20-2035.9.11	476,739
				607,364
Less: amount due within one year				82,720
Total				$ 524,644
Unused short-term credit lines				$ 163,377

Please refer to Note VIII for the circumstances where the Consolidated Company pledged assets as collaterals for loans.

(XIV) Bonds payable

Information on the Consolidated Company's issuance of secured convertible bonds is as follows:

	December 31, 2025	December 31, 2024
Bond issuance amount	$ 300,000	300,000
Unamortized balance of discounted corporate bonds payable	-	(31)
Cumulative conversion amount	(300,000)	(298,400)
	-	1,569
Less: Corporate bonds due within one year	-	1,569
Ending balance of corporate bonds payable	$ -	-
Embedded derivative financial instruments - redemption right (presented as financial assets at fair value through profit or loss)	$ -	1

	December 31, 2025	December 31, 2024
Equity component - conversion right (reported in capital surplus - subscription right)	$ -	185

	2025	2024
Embedded derivative financial instruments - Profit or loss on redemption right remeasured at fair value (presented as net loss on valuation of financial assets)	$ 1	190
Interest expenses	$ 2	1,858

On November 22, 2022, the Consolidated Company issued 3,000 three-year secured convertible bonds with a coupon rate of 0% and an effective interest rate of 2.18%.

The conversion price was set at NTD 20.35 per share at the time of issuance. In case the changes in the Consolidated Company's common shares or the distribution of cash dividends requiring adjustment to the conversion price, the price shall be adjusted according to the formulas prescribed in the issuance terms. This bond does not have reset feature.

From the next day after the expiration of three months since the date of issuance of the convertible bonds (February 23, 2023) to 40 days before the expiration of the issuance period (October 13, 2025), if the closing price of the Consolidated Company's common stock exceeds the prevailing conversion price by more than 30% (inclusive) for 30 consecutive business days or if the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Consolidated Company may, within five business days after the base date of bond redemption, redeem the outstanding convertible bonds by cash at the face value of the bonds.

On December 12, 2024, the Company announced that it had exercised the redemption right of the bonds, and the base date for the recovery of the bonds was February 4, 2025.

As of December 31, 2025, all outstanding bonds have been fully converted into common shares.

Please refer to Note VIII for the circumstances where the Consolidated Company pledged assets as collaterals for convertible bonds.

(XV) Lease liabilities

The carrying amounts of the consolidated company's lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	$ 61,023	56,716
Non-current	$ 158,844	202,683

For maturity analysis, please refer to Note VI (XXIV) Financial Instruments.

The amounts recognized in profit or loss are as follows:

	2025	2024
Interest expense on lease liability	$ 6,076	2,614
Expense on short-term lease	$ 16,087	9,761
Expense of low-value leased assets (excluding low-value leases under short-term leases)	$ 227	590

The amounts recognized in the statement of cash flows are as follows:

	2025	2024
Total cash outflow from lease	$ 81,876	73,630

1. Leasing of property and building

   The lease term for the Consolidated Company to lease houses and warehouses is generally 3-5 years, and some leases contain an option to extend the lease for the same period as the original contract upon the expiration of the lease term.

   Some lease contracts contain an option to extend or terminate the lease, which are administered on a regional basis, and therefore the terms and conditions of the individual leases vary within the Consolidated Company. To the extent that it is not reasonably determined that an option to extend the lease term will be exercised, the payments related to the period covered by such option are not included in the lease liabilities.

2. Other leases

   The lease term of the transportation equipment leased by the Consolidated Company is 3-5 years, and the Consolidated Company guarantees the residual value of the leased assets after the expiration of the lease term.

   In addition, the lease term of offices, office equipment, machinery and equipment leased by the Consolidated Company is usually one to three years, and these leases are short-term or low-value leases. The Consolidated Company selects applicable exemption from recognition of the relevant right-of-use assets and lease liabilities.

(XVI) Provisions for liabilities

	Warranty	Site restoration	Total
Balance as of January 1, 2025	$ 6,305	2,154	8,459
New provisions for liabilities in current period	4,033	-	4,033
Used provisions for liabilities in current period	(3,291)	-	(3,291)
Impact from change in exchange rate	63	8	71
Balance as of December 31, 2025	$ 7,110	2,162	9,272

	Warranty	Site restoration	Total
Balance as of January 1, 2024	$ 1,728	2,081	3,809
New provisions for liabilities in current period	6,255	-	6,255
Used provisions for liabilities in current period	(1,757)	-	(1,757)
Impact from change in exchange rate	79	73	152
Balance as of December 31, 2024	$ 6,305	2,154	8,459

1. Warranty reserve

   The warranty liability reserves of the Consolidated Company in 2025 and 2024 were mainly related to sales of auto parts. The warranty liability reserve was estimated based on historical warranty information of similar goods and services, and the Consolidated Company expected that the liabilities would mostly be incurred in subsequent years after sales.

2. Site restoration

   The Consolidated Company shall restore the plant before the lease expires. Since the liability is long-term in nature, it is estimated that the greatest uncertainty in this liability reserve is the cost to be incurred in the future. The Consolidated Company has calculated the restoration costs based on a discount rate of 3.6%.

(XVII) Employee benefits

1. Defined benefit plans

   The detail of the Consolidated Company's employee benefits liabilities is as follows:

	December 31, 2025	December 31, 2024
Paid leave liabilities (account for other payables)	$ 6,454	5,621

In 2023, the Consolidated Company reached a pension settlement agreement with its employees and settled their seniority in accordance with the Labor Pension Regulations. In 2024, the Consolidated Company settled all of its defined benefit obligations and reversed the remeasurement of NTD 71 thousand of the defined benefit plan in the statement of comprehensive income.

(1) Composition of plan assets

The pension fund contributed by the Consolidated Company according to the Labor Standards Act is managed by the Bureau of Labor Funds (hereinafter referred to as the BLF) of the Ministry of Labor. According to the "Regulations Governing the Custody and Use of Labor Pension Fund", the minimum earning to be distributed from the fund in the annual accounts shall not be less than the earning calculated based on the two-year time deposit rate of the local bank.

For information on the use of the Labor Pension Fund assets, including the return on fund and fund asset allocation, please refer to the information published on the website of the BLF of the Ministry of Labor.

(2) Changes in present value of defined benefit obligation

The changes in the present value of the Consolidated Company's defined benefit obligation were as follows:

		2024
Defined benefit obligation as of January 1	$	452
Remeasured value of net defined benefit assets		
- Actuarial gains and losses arising from changes in financial assumptions		71
Plan payment benefits		(523)
Defined benefit obligation as of December 31	**$**	**-**

(3) Changes in fair value of plan assets

The changes in the fair value of the Consolidated Company's defined benefit plan asset were as follows:

		2024
Fair value of plan assets as of January 1	$	767
Plan paid benefits		(767)
Fair value of plan assets as of December 31	**$**	**-**

(4) Remeasured value of net defined benefit assets recognized as other comprehensive income

The cumulative remeasured value of the net defined benefit assets recognized in other comprehensive income was as follows:

		2024
Cumulative balance as of January 1	$	(71)
Recognized this term		71
Cumulative balance as of December 31	**$**	**-**

2. Defined contribution plans

The Consolidated Company's defined contribution plan is based on the Labor Pension Regulations, with a contribution rate of 6% of worker’s monthly salary, which will be contributed to the personal pension account of the Bureau of Labor Insurance. The Consolidated Company has no legal or constructive obligation to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance under this plan.

For the years ended December 31, 2025 and 2024, the pension expenses contributed by the Consolidated Company using the defined contribution pension method and the defined contribution method by the subsidiaries included in the Consolidated Company in accordance with the laws of their respective jurisdictions were NTD 23,967 thousand and NTD 24,903 thousand, respectively, and the pension expenses under the pension contribution method determined by the Company were NTD 3,708 thousand and NTD 3,518 thousand, respectively, which had been contributed to the Bureau of Labor Insurance.

(XVIII) Income tax

1. Income tax expenses

The details of income tax expenses of the Consolidated Company are as follows:

		2025	2024
Current income tax expense			
Current tax expense recognized in the current year	$	67,285	98,200
Income tax adjustments on prior years		(1,012)	(11,428)
Levied on unappropriated earnings		14,357	-
Deferred income tax expense			
Occurrence and reversal of temporary differences		4,340	(47,691)
Income tax expenses	$	84,970	39,081

The Consolidated Company did not recognize income tax expenses in other comprehensive income in 2025 and 2024.

The adjustments of income tax expenses with the net income before tax of the Consolidated Company in 2025 and 2024 were as follows:

		2025	2024
Net profit before tax	$	305,826	290,162
Income tax calculated at the tax rate of the country where the Company is located	$	61,165	58,032
Impact of tax rate differences in foreign jurisdictions		(16,843)	(24,216)
Payment of corporate income tax on the disposal of equity interests.		21,247	-
Impact on tax amount of other tax adjustments under tax laws		(5,823)	2,230
Tax-exempt income		(4,832)	(3,876)

	2025	2024
Current tax loss on unrecognized deferred income tax assets	13,920	16,895
Changes in unrecognized temporary differences	2,791	1,432
Overestimation of income tax in prior years	(1,012)	(11,428)
Overestimation of deferred income tax assets in prior years	-	12
Levied on unappropriated earnings	14,357	-
Income tax expenses	**$ 84,970**	**39,081**

In order to increase the working capital of the overseas subsidiaries of the Consolidated Company, the original Board of Directors resolved that the cumulative earnings of the overseas reinvested subsidiaries should be temporarily not distributed (not remitted back) to the parent company in Taiwan.

On February 21, 2024, the Board of Directors decided to adjust the strategy of reinvesting the surplus of some overseas subsidiaries and allocate the surplus of overseas subsidiaries of CNY 105,000 thousand to be used for future investment in non-Chinese regions in response to the impact of China's economic development and the relocation of industrial supply chain in recent years, as well as the working capital needs of the Thailand subsidiaries in the future. The cumulative unappropriated earnings of the remaining overseas subsidiaries will be retained for the time being and will be submitted to the board of directors for resolution in case of a need for appropriation in the future.

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax liabilities

The temporary differences associated with the invested subsidiaries for the years ended December 31, 2025 and 2024 were not recognized as deferred income tax liabilities due to Consolidated Company could control the time of reversal of the temporary differences and it is probable that such temporary differences will not be reversed in the foreseeable future. The related amounts are as follows:

	December 31, 2025	December 31, 2024
The total amount of temporary differences related to investee subsidiaries	**$ 2,268,717**	**2,015,965**
Amount not recognized as deferred income tax liabilities	**$ 453,743**	**403,193**

(2) Unrecognized deferred income tax assets

The items not recognized as deferred income tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 9,899	10,256
Tax loss	89,502	73,785
Total	**$ 99,401**	**84,041**

Tax loss refers to that under the income tax laws of the jurisdictions where the Company operates, the current losses can be used to deduct the taxable incomes for the next five to ten years before levying the income tax. Such items are not recognized as deferred income tax assets because it is not probable that the Consolidated Company will have sufficient taxable income to be used for the temporary differences in the future.

As of December 31, 2025, the subsidiaries are entitled to a loss deduction under local laws and regulations, and the tax losses that have not been recognized as deferred income tax assets are deducted as follows:

Year of loss (AD)	Tax effect	Last year when the loss can be deducted (AD)
2017	$ 10,144	2027
2018	5,331	2028
2019	6,692	2029
2020	2,149	2025-2030
2021	7,691	2026-2031
2022	11,667	2027-2032
2023	15,737	2028-2033
2024	15,609	2029-2034
2025	14,482	2030-2035
	$ 89,502	

(3) Recognized deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities in 2025 and 2024 are as follows:

Deferred income tax assets:

	Impairment loss	Loss credit	Others	Total
January 1, 2025	$ 4,000	7,965	4,921	16,886
Recognized in profit or loss	-	4,707	(1,028)	3,679
December 31, 2025	**$ 4,000**	**12,672**	**3,893**	**20,565**
January 1, 2024	$ 4,000	6,858	4,639	15,497

	Impairment loss	Loss credit	Others	Total
Recognized in profit or loss	-	1,107	282	1,389
December 31, 2024	**$ 4,000**	**7,965**	**4,921**	**16,886**

Deferred income tax liabilities:

	Investment gains	Others	Total
January 1, 2025	$ -	661	661
Recognized in profit or loss	-	(661)	(661)
December 31, 2025	**$ -**	**-**	**-**
January 1, 2024	$ 46,187	776	46,963
Recognized in profit or loss	(46,187)	(115)	(46,302)
December 31, 2024	**$ -**	**661**	**661**

Tax losses, as stipulated by the Income Tax Act, represent losses incurred in the preceding ten years and assessed by the tax authorities, which may be deducted from the net income of the current year before calculating the income tax payable.

As of December 31, 2025, the expiration years for tax losses recognized as deferred tax assets by the Consolidated Company are as follows:

Year of loss	Tax effect	Last year when the loss can be deducted
2017	$ 56	2027
2018	1	2028
2019	6	2029
2020	74	2030
2021	167	2031
2022	167	2032
2023	6,373	2033
2024	1,120	2034
2025	4,708	2035
	$ 12,672	

3. Income tax examination

The income tax settlement declaration of the profit-seeking enterprise of the Company has been approved by the tax collection authority until 2022.

(XIX) Capital and other equity

As of December 31, 2025 and 2024, the Company's total authorized capital was both NTD 1,800,000 thousand (of which NTD 30,000 thousand was reserved for the exercise of the issued employee stock warrants), and the paid-in capital was NTD 902,150 thousand and 1,287,929 thousand, respectively, with a par value of NTD 10 per share.

The reconciliation statements of the number of outstanding shares of common stock of the Company are as follows:

(Expressed in thousands of shares)	Common stock 2025	2024
Number of shares outstanding as of January 1	128,793	122,520
Convertible corporate bond conversion	86	6,273
Cash capital reduction	(38,664)	-
Number of shares outstanding as of December 31	90,215	128,793

1. Issuance of common stock

   In 2025 and 2024, the Company issued 86 thousand and 6,273 thousand new shares respectively at denomination with a total amount of NTD 857 thousand and NTD 62,728 thousand due to the exercise of conversion rights by the holders of convertible corporate bonds.

   To optimize the capital structure and enhance the return on equity, the Company's shareholders' meeting on May 16, 2025, resolved to implement a cash capital reduction. The reduction amounted to NTD 386,636 thousand, involving the cancellation of 38,664 thousand shares, representing a reduction ratio of approximately 30%. The capital reduction record date was set as June 30, 2025, and all relevant legal registration procedures have been completed.

2. Capital surplus

   The balance of the Company's capital surplus is as follows:

	December 31, 2025	December 31, 2024
Share premium	$ 501,189	500,290
Changes in net equity of associate recognized using the equity method	54	54
Lapsed stock options	10,098	10,098
Merger premium	4,817	4,817
Equity component (subscription right) of convertible bonds issued by the Company	-	185
	$ 516,158	515,444

According to the Company Act, capital surplus must be first used to make up for losses before new shares or cash can be distributed in proportion to the original shareholding ratios of the shareholders based on the realized capital surplus. The realized capital surplus referred to in the preceding paragraph includes the surplus obtained by the issuance of shares in excess of par value and the proceeds from the receipt of bestowal. According to the Regulation Governing the Raising and Issuance of Securities by Issuers, capital surplus may be provisioned in an amount not exceeding 10% of the paid-in capital each year.

3. Retained earnings

According to the Company’s Articles of Association, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% as legal reserve of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations of competent authorities, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution.

The distribution of dividends and bonuses, in whole or in part, in the form of cash, may be authorized by the Board of Directors with the presence of more than two-thirds of the directors and with the consent of a majority of the directors present, and reported to the shareholders' meeting.

In the event that the Company distributes cash from legal reserve (up to the extent that such reserve exceeds 25% of the paid-in capital) and all or part of the capital surplus in compliance with the Company Act, the Board of Directors may authorize the Board of Directors to do so with the approval of two-thirds of the Board of Directors and a majority of the Board of Directors present, and to report the decision to the shareholders in the shareholders' meeting.

The dividend payment amount is based on the Company's earnings in the current year and the accumulated earnings in previous years, and after considering the Company's profit situation, capital structure and future operating needs, the company decides the dividend to be distributed; the dividend payment policy evaluates the ratio of stock dividends to cash dividends for the year based on the adequacy of the capital stock and the need for the use of funds.

(1) Legal reserve

When the Company has no losses, it may, upon a resolution of the shareholders’ meeting, distribute legal reserve by issuing new shares or by cash, but only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.

(2) Special reserve

Upon the adoption of IFRS Accounting Standards approved by the FSC for the first time, the Company elected to apply the exemption from IFRS 1

"First-time Adoption of International Financial Reporting Standards", and recognized the cumulative conversion adjustment (gain) under stockholders' equity, resulting in an increase in retained earnings of NTD 35,281 thousand, which exceeded the net increased amount of retained earnings generated from the first-time adoption of IFRSs approved by the FSC by NTD 24,364 thousand on the date of transition. In accordance with the regulations of the FSC, a special reserve was set aside only for the net increase in retained earnings generated from the adoption of IFRSs approved by the FSC, and the special reserve was reversed and distributed in proportion to the original special reserve when the related assets were used, disposed of or reclassified. As of December 31, 2025 and 2024, the balance of such special reserve was NTD 24,364 thousand.

In addition, according to the regulations of the FSC, when distributing distributable earnings, the Company shall recognize special surplus reserve from the current net income after tax plus the amount of items other than current net income after tax included in current undistributed earnings, based on the difference between the net decrease in other stockholders' equity incurred in current year and the balance of the special surplus reserve recognized in the preceding paragraph; the decrease in other shareholders' equity accumulated in prior periods is not distributable from the special surplus reserve set aside from undistributed earnings of prior periods. Afterwards, if there is a reversal of the decrease in other shareholders' equity, earnings may be distributed from the reversed part.

(3) Earnings distribution

On May 16, 2025, the shareholders' meeting resolved not to distribute the 2024 earnings.

The Board of Directors passed the resolution for the 2023 earnings distribution proposal on annual general shareholders' meeting on June 13, 2024. The amount of the owner's dividend is as follows:

	2023	
	Allotment ratio (NTD)	**Amount**
Dividends distributed to owners of common stock:		
Cash	**$ 1.0**	**122,520**

4. Other equity interest

	Exchange differences on translation of foreign financial statements	Investments at fair value through other comprehensive income	Total
Balance as of January 1, 2025	$ (93,346)	(50,000)	(143,346)
Exchange differences arising on translation of foreign operations	(5,483)	-	(5,483)
Unrealized gain on financial assets at fair value through other comprehensive income	-	12,205	12,205
Balance as of December 31, 2025	**$ (98,829)**	**(37,795)**	**(136,624)**
Balance as of January 1, 2024	$ (187,946)	(32,364)	(220,310)
Exchange differences arising on translation of foreign operations	94,600	-	94,600
Unrealized loss on financial assets at fair value through other comprehensive income	-	(17,636)	(17,636)
Balance as of December 31, 2024	**$ (93,346)**	**(50,000)**	**(143,346)**

(XX) Earnings per share

1. Earnings per share - basic

The basic earnings per share of the Consolidated Company in 2025 and 2024 were calculated based on the net income attributable to common shareholders of the Company (NTD 220,856 thousand and NTD 251,081 thousand, respectively) and the weighted average number of common shares outstanding (109,278 and 124,172 thousand, respectively) as follows:

(1) Net income attributable to common shareholders of the Company

	2025	2024
Net income attributable to common shareholders of the Company	**$ 220,856**	**251,081**

(2) Weighted average number of common shares outstanding

	2025	2024
Weighted average number of common shares outstanding	**109,278**	**124,172**
(Unit: NTD)	**$ 2.02**	**2.02**

2. Earnings per share - diluted

The diluted earnings per share in 2025 and 2024 were calculated based on the net income attributable to common shareholders of the Company (NTD 220,858 thousand and NTD 252,719 thousand, respectively) and the weighted average number of common shares outstanding after adjusting the dilutive effect of all potential common shares (109,649 thousand and 129,394 thousand, respectively) as follows:

(1) Net income (diluted) attributable to common shareholders of the Company

	2025	2024
Net income (basic) attributable to common shareholders of the Company	$ 220,856	251,081
Effect of potential dilutive common shares		
Amount of after-tax effect of interest expense and other gains and losses on convertible bonds	2	1,638
Net income (adjust diluted after common stock impact) attributable to common shareholders of the Company	**$ 220,858**	**252,719**

(2) Weighted average number of common shares outstanding (diluted)

	2025	2024
Weighted average number of common shares outstanding (basic)	109,278	124,172
Effect of potential dilutive common shares		
Effect of convertible corporate bond conversion	4	4,705
Impact of employee stock compensation	367	517
Weighted average number of common shares outstanding (adjust diluted after common stock impact)	**109,649**	**129,394**
(Unit: NTD)	**$ 2.01**	**1.95**

(XXI) Revenue from customer contracts

1. Breakdown of income

2025	Plastic mold business unit	Other business unit	Total
Key market region			
China	$ 771,464	370,050	1,141,514
Taiwan	125,391	133,208	258,599
Thailand	853,903	-	853,903
Other countries	34,364	37,159	71,523
	$ 1,785,122	**540,417**	**2,325,539**

2025	Plastic mold business unit	Other business unit	Total
Key products			
Parts	$ 1,682,317	514,149	2,196,466
Mold	102,430	25,840	128,270
Others	375	428	803
	$ 1,785,122	540,417	2,325,539

2024	Plastic mold business unit	Other business unit	Total
Key market region			
China	$ 527,199	379,395	906,594
Taiwan	111,907	119,367	231,274
Thailand	742,576	-	742,576
Other countries	73,904	12,562	86,466
	$ 1,455,586	511,324	1,966,910
Key products			
Parts	$ 1,360,998	485,676	1,846,674
Mold	88,965	15,048	104,013
Others	5,623	10,600	16,223
	$ 1,455,586	511,324	1,966,910

2. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - Advances on sales	$ 31,998	14,689	15,409

Please refer to Note VI(IV) for the disclosure of accounts receivable and their impairment losses.

The opening balances of contract liabilities as of January 1, 2025 and 2024 that were recognized as income in 2025 and 2024 were of NTD 13,295 thousand and NTD 12,452 thousand, respectively.

(XXII) Remuneration to the employees and directors

On May 16, 2025, the Company’s shareholders' meeting resolved to amend the Articles of Incorporation. According to the amended version, if there is a profit for the year, the Company shall allocate employees’ remuneration and directors’ remuneration. However, if the Company still has accumulated losses, a portion of the profit must be reserved in advance to cover such losses. The remuneration for directors shall not exceed 5%, while the remuneration for employees shall be no less than 5%. Within the aforementioned amount for employees' remuneration, no less than 1% of the current year's profit shall be allocated specifically for the distribution to entry-level employees. The distribution of employees’ remuneration and directors’ remuneration shall be resolved by the Board of Directors with at least two-thirds of the directors present and the approval of a majority of the present directors. Such distribution shall also be reported to the shareholders' meeting. Employees' remuneration, including the portion for entry-level employees, may be distributed in the form of cash or shares. The recipients of such distribution include employees of subsidiary companies who meet certain specific criteria. In accordance with the Articles of Association prior to amendment, the Company should reserve the amounts for making up for accumulated losses from the current profit before tax before deducting the remunerations to employees and directors, and then appropriate not less than 5% as the employees' remuneration and not more than 5% as the directors' remuneration if there is any remaining income. When employee remuneration is distributed in stock or cash, the recipients of the payment include employees of subsidiaries that meet certain conditions.

The annual estimated figures of the Company’s employees’ remuneration in 2025 and 2024 were NTD 12,840 thousand (of which NTD 2,568 was employee remuneration allocated be distributed to entry-level employees), and NTD 13,950 thousand respectively, and the estimated amount of directors’ remuneration NTD 12,834 thousand and NTD 13,770 thousand respectively which is estimated based on the pre-tax net profit for period before deducting remunerations of employees and directors multiplied by the distribution of remuneration percentage of employees and directors stipulated in the Company’s Articles of Association, which were reported as the operating expenses in 2025 and 2024. Information can be found at the Market Observation Post System. The amounts of employees’ and directors’ remuneration resolved by the Board of Directors were not different from the amounts estimated in the consolidated financial statements in 2025 and 2024.

(XXIII) Non-Operating Income and Expenses

1. Interest income

The details of interest income of the Consolidated Company are as follows:

	2025	2024
Bank deposit interest	$ 25,783	23,152
Other interest income	51	40
	$ 25,834	**23,192**

2. Other income

The details of other income of the Consolidated Company are as follows:

	2025	2024
Rental income	$ 3,015	1,468
Government grants income	407	7,026
Others	5,263	1,543
	$ 8,685	10,037

3. Other gains and losses

The details of other profits and losses of the Consolidated Company are as follows:

	2025	2024
Foreign currency exchange gain (loss), net	$ (32,947)	17,552
Loss (Gain) on lease modification	49	(45)
Gain on disposal of property, plant and equipment	2,155	1,523
Net losses on financial assets at FVTPL	(1)	(190)
Other losses	(6)	(322)
	$ (30,750)	18,518

4. Finance costs

The details of financial cost of the Consolidated Company are as follows:

	2025	2024
Interest expenses		
- Bank loans	$ 28,084	17,110
- Implicit interest on lease liability	6,076	2,614
- Corporate bonds	2	1,858
Financial expenses	491	2,574
	$ 34,653	24,156

(XXIV) Financial instruments

1. Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure amount. As of December 31, 2025 and 2024, the maximum credit risk exposure amounts were NTD 2,485,390 thousand and NTD 2,264,323 thousand, respectively.

(2) Concentration of credit risk

The Consolidated Company's customers are concentrated in the consumer electronics and automotive parts customer bases. In order to reduce the credit risk of accounts receivable, the Consolidated Company continuously evaluates the financial position of its customers and requires them to provide guarantees or warranties when necessary. The Consolidated Company continues to regularly assess the probability of collection of accounts receivable and sets aside allowance for impairment losses, and the impairment losses receivable are always within management expectations. As of December 31, 2025 and 2024, 72% of the Consolidated Company's accounts receivable balance consisted of three customers, resulting in a significant concentration of credit risk.

(3) Credit risk of accounts receivable

For the information on credit risks of notes receivable and accounts receivable, please refer to Note VI (IV). Other financial assets measured at amortized cost include other receivables and other financial assets.

Other receivables are financial assets with low credit risk. Therefore, the allowance for loss for the period is measured at the 12-month expected credit loss. Other receivables of the Consolidated Company for the years ended December 31, 2025 and 2024 have no expected credit losses.

2. Liquidity risk

The following table shows the contractual expiration dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2025						
Non-derivative financial liabilities						
Bank loan at floating interest rate	$ 1,602,764	1,693,880	631,688	402,946	496,591	162,655
Accounts payable and other payables (including related parties)	650,148	650,148	648,457	1,691	-	-
Lease liabilities (current and non-current)	219,867	229,877	65,829	65,759	98,289	-
Guarantee deposits	544	-	-	-	-	-
	$ 2,473,323	2,573,905	1,345,974	470,396	594,880	162,655
December 31, 2024						
Non-derivative financial liabilities						
Bank loan at floating interest rate	$ 911,100	983,101	406,651	107,462	274,827	194,161
Accounts payable and other payables (including related parties)	579,142	579,142	578,067	455	620	-
Bonds payable	1,569	1,600	1,600	-	-	-

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities (current and non-current)	259,399	274,509	62,558	60,306	151,645	-
Guarantee deposits	538	538	-	538	-	-
	$ 1,751,748	1,838,890	1,048,876	168,761	427,092	194,161

The consolidated company does not expect that the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

3. Currency risk

(1) Currency risk exposure

The consolidated company's significant currency risk exposure of financial assets and liabilities is as follows:

Foreign currency: thousand

	December 31, 2025				December 31, 2024		
	Foreign currencies		Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
Financial assets							
Monetary items							
USD	USD	45,121	31.4300	1,418,153	32,830	32.7850	1,076,332
CNY	RMB	-	4.4945	-	24,623	4.4784	110,272
Financial liabilities							
Monetary items							
USD	USD	16,551	31.4300	520,198	13,089	32.7850	429,123

(2) Sensitivity analysis

The exchange rate risk of monetary items of the Consolidated Company arises from cash and cash equivalents, accounts and other receivables, and accounts and other payables denominated in foreign currencies where the foreign currency exchange gains and losses arise upon exchange. As of December 31, 2025 and 2024, when the New Taiwan dollar depreciated or appreciated by 0.5% relative to the US dollar, CNY and THB, and all other factors remained unchanged, the net profit after tax in 2025 and 2024 will increase or decrease by NTD 3,594 thousand and NTD 3,036 thousand, respectively. The same basis was used for the analysis in both periods.

(3) Exchange profit and loss of monetary items

Due to the variety of functional currencies of the consolidated company, the exchange profit and loss information of monetary items was disclosed in summary. For the foreign currency exchange gains and losses (including realized and unrealized) for the years ended December 31, 2025 and 2024, please refer to Note VI(XXIII).

4. Interest rate risk

The Consolidated Company's exposure to interest rate risk on financial liabilities is described in Liquidity Risk Management in this note.

The following sensitivity analysis is based on the interest rate risk exposure of derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of the liabilities outstanding at the reporting date is outstanding for the entire year. The rate of change used in reporting interest rates internally to key management is an increase or decrease of 0.5%, which also represents management’s assessment of the reasonably possible range of changes in interest rate.

If the interest rate increases or decreases by 0.5%, and all other variables remain unchanged, the Consolidated Company's net profit after tax will decrease or increase by NTD 6,411 thousand and NTD 3,644 thousand in 2025 and 2024, respectively, which is mainly caused by the impact of the Consolidated Company's variable rate loans.

5. Other price risks

If the price of equity securities changes at the reporting date (the same basis is used for both analyses, assuming that other variables remain unchanged), the impacts on the consolidated profit and loss items are as follows:

	2025		**2024**	
Security price at the reporting date	**Other comprehensive profit/loss (net of tax)**	**Profit or loss after tax**	**Other comprehensive profit/loss (net of tax)**	**Profit or loss after tax**
Increase by 1%	$ 1,104	-	932	-
Decrease by 1%	(1,104)	-	(932)	-

6. Fair value information

(1) Type and fair value of financial instruments

The financial assets of the Consolidated Company measured at fair value through profit or loss and financial assets measured at fair value through other consolidated profit or loss are measured at fair value on a recurring basis. The carrying amount and fair value of various types of financial assets and liabilities (including fair value level, but the carrying amount of financial instruments not measured at fair value is a reasonable approximation of the fair value. For lease liabilities, there is no need to disclose fair value information according to regulations) are listed as follows:

	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted (non-OTC) stocks	$ 19,833	-	-	19,833	19,833
Domestic emerging stocks	62,057	-	62,057	-	62,057
Domestic non-public fund	28,480	-	-	28,480	28,480
Subtotal	$ 110,370	-	62,057	48,313	110,370
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,135,924	-	-	-	-
Notes and accounts receivable (including related parties)	1,150,852	-	-	-	-
Other receivables (including related parties/excluding tax refund receivables)	499	-	-	-	-
Other financial assets (current and non-current)	3,000	-	-	-	-
Refundable deposits	84,745	-	-	-	-
Subtotal	$ 2,375,020	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 353,987	-	-	-	-
Long-term borrowings due within one year	243,390	-	-	-	-
Long-term borrowings	1,005,387	-	-	-	-
Accounts payable	363,407	-	-	-	-
Other payables	286,741	-	-	-	-
Lease liabilities (current and non-current)	219,867	-	-	-	-
Guarantee deposits	544	-	-	-	-
Subtotal	$ 2,473,323	-	-	-	-

	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Designated financial assets at FVTPL	$ 1	1	-	-	1
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted (non-OTC) stocks	$ 17,463	-	-	17,463	17,463
Domestic emerging stocks	54,345	-	54,345	-	54,345
Domestic non-public fund	21,343	-	-	21,343	21,343
Subtotal	93,151	-	54,345	38,806	93,151
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,249,280	-	-	-	-
Notes and accounts receivable (including related parties)	834,506	-	-	-	-

	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Other receivables (including related parties/excluding tax refund receivables)	337	-	-	-	-
Other financial assets (current and non-current)	13,196	-	-	-	-
Refundable deposits	73,852	-	-	-	-
Subtotal	$ 2,171,171	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 303,736	-	-	-	-
Long-term borrowings due within one year	82,720	-	-	-	-
Long-term borrowings	524,644	-	-	-	-
Accounts payable (including related parties)	326,089	-	-	-	-
Other payables (including related parties)	253,053	-	-	-	-
Corporate bonds payable due within one year	1,569	-	-	-	-
Lease liabilities (current and non-current)	259,399	-	-	-	-
Guarantee deposits	538	-	-	-	-
Subtotal	$ 1,751,748	-	-	-	-

(2) The valuation techniques based on fair value of financial instruments not measured at fair value

The methods and assumptions used by the Consolidated Company to estimate instruments not measured at fair value are as follows:

For financial assets and liabilities measured at amortized cost, if transaction or market maker’s quotation information is available, the most recent transaction price and quotation information are used as the basis for valuating the fair value. If market value is not available, the fair value should be estimated by valuation method. The estimates and assumptions used in the valuation method are to use the discounted value of cash flow to estimate the fair value.

(3) The valuation techniques based on fair value

If there is an active market and a price for a financial instrument is quoted in that market, the quoted price will be the fair value of the non-derivative financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, industry associations, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications for an inactive market.

For the fair value of financial instruments held by Consolidated Company, except the stocks of exchange-listed and OTC-listed companies are financial assets with standard terms and conditions that are traded in active markets, and their fair values are determined by reference to market quoted price, the others are determined by valuation techniques or by reference to quoted prices from counterparties.

(4) The transfer between Level 1 and Level 2

There is no transfer from January 1 to December 31, 2025 and 2024.

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

The financial assets at fair value classified into Level 3 of the Consolidated Company are mainly financial assets at fair value through other comprehensive income - equity securities investments.

Most of the Level 3 fair value attributed to the Consolidated Company only has single significant unobservable input, and only equity instrument investments without active market have multiple significant unobservable inputs. Significant unobservable inputs of equity instrument investments with no active market are independent of each other, so there is no correlation.

For some of the Consolidated Company's equity investment instruments that do not have quoted prices of active market and are not intended for short-term trading, the management obtains recent financial reports of the invested company, evaluates industry developments and reviews publicly available information to review and assess the current and future operating performance of the invested company, so as to evaluate the fair value of the invested company. Generally, the changes in industry and market prospects are highly positively correlated with changes in the operation and future results of investee company.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - Equity instrument investments without an active market	Net Asset Value Method	• Net Asset Value	• The higher the net asset value, the higher the fair value

(6) Analysis of sensitivity of Level 3 fair values to reasonably possible alternative assumptions

The Consolidated Company's fair value measurements of financial instruments are deemed reasonable; however, the use of different valuation models or parameters may lead to different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

			Changes in fair values reflected in other comprehensive income	
	Input	Increase or decrease	Favorable change	Unfavorable change
December 31, 2025				
Financial assets at fair value through other comprehensive income				
Investments in equity instruments without active markets	48,313	0.5%	$ 242	(242)
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Investments in equity instruments without active markets	38,806	0.5%	$ 194	(194)

The favorable and unfavorable changes to the Consolidated Company refer to the fluctuation of the fair values, and the fair values are determined with valuation techniques based on different levels of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of a change in a single input and does not include the correlation and variability between inputs.

(XXV) Financial risk management

1. Summary

The Consolidated Company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information on the Consolidated Company's exposure to the above risks, and the Consolidated Company's objectives, policies and procedures for risk measurement and management. For further quantitative disclosures, please refer to the respective notes to the consolidated financial statements.

2. Risk management framework

The Consolidated Company's risk management policy is established to identify and analyze the risks faced by the Consolidated Company, set appropriate risk limits and controls, and monitor the risks and the compliance with risk limits. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Consolidated Company's operations. The Consolidated Company develops a disciplined and constructive control environment through training, management rules and operating procedures, so that all employees can understand their roles and obligations.

The Consolidated Company's Audit Committee oversees how the management personnel monitor compliance with the Consolidated Company's risk management policies and procedures, and reviews the adequacy of the Consolidated Company's risk management framework with respect to the risks it faces. Internal auditors assist the Consolidated Company's Audit Committee in its oversight role. Such personnel will conduct regular and irregular reviews of risk management controls and procedures, and report the review results to the Audit Committee.

3. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Consolidated Company's customers or counterparties to financial instruments to fulfill contractual obligations, which mainly arises from the Consolidated Company's accounts receivable from customers, financial assets and endorsements.

(1) Accounts receivable and other receivables

The Consolidated Company's policy is to deal only with creditworthy counterparties and to obtain collateral when necessary to mitigate the risk of financial loss arising from default. The Consolidated Company only deals with companies that are rated as investment grade. Such information is provided by independent rating agencies; if such information is not available, the Consolidated Company will use other publicly available financial information and transaction records to rate its major customers. The Consolidated Company continuously monitors the credit risk exposure and the credit ratings of counterparties, distributes total transaction amounts among customers with qualified credit ratings, and controls credit risk exposure through counterparties’ credit limits that are reviewed and approved annually by the Risk Management Committee.

The Consolidated Company does not hold any collateral or other credit enhancements to hedge the credit risk of financial assets.

(2) Investment

The credit risks of bank deposits and other financial instruments are measured and monitored by the Consolidated Company's finance department. There is no significant credit risk because the Consolidated Company's counterparties and performance counterparties are creditworthy banks and financial institutions and corporate organizations with investment grade or above, and there is no significant doubt about their performance.

(3) Guarantee

The Consolidated Company's policy stipulates that it will only provide financial guarantees to wholly-owned subsidiaries or the subsidiaries provide financial guarantees to the parent company. Please refer to Note XIII for the endorsement/ guarantee provided by the Consolidated Company as of December 31, 2024.

4. Liquidity risk

The Consolidated Company manages and maintains sufficient cash and cash equivalents to support the Consolidated Company's operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management personnel monitor the use of bank financing limits and ensure compliance with the terms of loan contracts.

Bank loans are an important source of liquidity for the Consolidated Company. As of December 31, 2025 and 2024, the Consolidated Company’s unused debit bank financing limits were NTD 718,061 thousand and NTD 597,835 thousand, respectively.

5. Market risk

Market risks refer to the risks that may affect the Consolidated Company's earnings or the value of financial instruments held by the Consolidated Company due to changes in market prices, such as changes in exchange rates, interest rates, and prices of equity instruments. The objective of market risk management is to manage market risk exposure within a tolerable range and to optimize the return on investment.

(1) Currency risk

The Consolidated Company is exposed to exchange rate risk arising from sales and purchase transactions that are not denominated in the functional currency of the respective group companies. Such transactions are mainly denominated in NTD, CNY, THB and USD.

(2) Interest rate risk

The Consolidated Company's policy is to ensure that its exposure to fluctuations in loan rates is mitigated by loans at floating rates and interest rate swap contracts to hedge cash flow variations attributable to interest rate fluctuations.

(XXVI) Capital management

The Consolidated Company's capital management objective is to safeguard the ability to continue as a going concern in order to continue to provide shareholders' remuneration and other stakeholders' benefits, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Company may adjust dividends paid to shareholders, reduce capital to refund shareholders, issue new shares or sell assets to repay the liabilities.

Like peer companies, the Consolidated Company manages its capital based on the debt-to-capital ratio. The ratio is calculated by dividing net debt by total capital. Net liabilities are calculated by total liabilities less cash and cash equivalents as shown in the balance sheet. Total capital is the sum of all components of equity (i.e., capital stock, capital surplus, retained earnings and other equity) plus net liabilities.

To adjust its capital structure and enhance the return on equity (ROE), the Consolidated Company's shareholders' meeting resolved on May 16, 2025, to approve a cash capital reduction for returning capital to shareholders. Please refer to Note VI(XIX) of these financial statements for details. There have been no changes in other capital management strategies compared to 2024. The debt-to-capital ratios as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 2,556,914	1,813,131
Less: Cash and cash equivalents	1,135,924	1,249,280
Net liabilities	**$ 1,420,990**	**563,851**
Total equity	**$ 2,209,262**	**2,366,749**

Total capital	$ 3,630,252	2,930,600
Debt-to-capital ratio	39.14%	19.24%

As of December 31, 2025, the debt-to-capital ratio of the Consolidated Company increased compared to December 31, 2024. This was primarily due to an increase in total liabilities resulting from new bank borrowings to optimize the financial structure and meet investment requirements.

(XXVII) Investment and financing activities in non-cash investment

The non-cash investment and financing activities of the Consolidated Company in 2025 and 2024 are as follows:

1. Assets acquired under leases for Notes VI (IX)
2. Convertible corporate bond conversion to common stock for Notes VI (XIX)

The reconciliation of liabilities from financing activities are as follows:

			Non-cash changes					
	January 1, 2025	Cash flow	Convertible capital surplus	Convertible share capital	Interest expenses	Change in exchange rate	Additions/ reclassification	December 31, 2025
Short-term borrowings	$ 303,736	48,895	-	-	-	1,356	-	353,987
Long-term borrowings (including those due within one year)	607,364	632,484	-	-	-	8,929	-	1,248,777
Bonds payable (including those due within one year)	1,569	-	(714)	(857)	2	-	-	-
Lease liabilities (current and non-current)	259,399	(59,486)	-	-	-	(1,043)	20,997	219,867
Guarantee deposits	538	4	-	-	-	2	-	544
Total liabilities from financing activities	$ 1,172,606	621,897	(714)	(857)	2	9,244	20,997	1,823,175

			Non-cash changes					
	January 1, 2024	Cash flow	Convertible capital surplus	Convertible share capital	Interest expenses	Change in exchange rate	Additions/ reclassification	December 31, 2024
Short-term notes payable	$ 29,938	(30,000)	-	-	62	-	-	-
Short-term borrowings	295,000	8,736	-	-	-	-	-	303,736
Long-term borrowings (including those due within one year)	384,937	222,427	-	-	-	-	-	607,364

			Non-cash changes					
	January 1, 2024	Cash flow	Convertible capital surplus	Convertible share capital	Interest expenses	Change in exchange rate	Additions/ reclassification	December 31, 2024
Bonds payable (including those due within one year)	114,295	-	(51,856)	(62,728)	1,858	-	-	1,569
Lease liabilities (current and non-current)	43,525	(60,665)	-	-	-	(190)	276,729	259,399
Guarantee deposits	48	486	-	-	-	4	-	538
Total liabilities from financing activities	$ 867,743	140,984	(51,856)	(62,728)	1,920	(186)	276,729	1,172,606

VII. Related Party Transactions

(I) Name and relationship of related party

During the period covered by this consolidated financial statement, the related parties that have transactions with the consolidated company are as follows:

Related party	Relationship with the Consolidated Company
Rock Electronic Optical Co., Ltd. (Rock Electronic Optical)	The Chairman of the Company is the same as that company
Merry Electronics Co., Ltd. (Merry Electronics)	Individuals who have significant influence on the Company
Merry Electronics (ShenZhen) Co., Ltd. (Merry ShenZhen)	A subsidiary of the Merry Electronics Co., Ltd. (Merry Electronics)
Merry Electronics (Thailand) Co., Ltd. (Merry Thailand)	A subsidiary of the Merry Electronics Co., Ltd. (Merry Electronics)
Merry & Luxshare (Vietnam) Co., Ltd. (Merry Vietnam)	A subsidiary of the Merry Electronics Co., Ltd. (Merry Electronics)

(II) Significant transactions with related parties

1. Operating revenue

The significant sales amount of the consolidated company to related parties is as follows:

	2025	2024
Merry Thailand, a subsidiary of the Merry Electronics Co., Ltd.	$ 849,680	738,815
Merry Shenzhen, a subsidiary of the Merry Electronics Co., Ltd.	529,045	423,649
Merry Vietnam, a subsidiary of the Merry Electronics Co., Ltd.	30,523	43,606
Merry Electronics Co., Ltd.	610	68
Other related parties	108,732	68,669

	2025	2024
	$ 1,518,590	1,274,807

The sales prices of the Consolidated Company to related parties are not comparable to general sales due to product differences. The collection terms are mainly monthly statements, collected within 120 to 135 days, which are not significantly different from those of general companies.

2. Purchases

The purchase amount of the consolidated company to related parties is as follows:

	2025	2024
Other related parties	$ 89	27

The purchase prices of the Consolidated Company to related parties are not comparable to general purchase due to product features. The payment period is 180 days, which is not significantly different from that of general companies.

3. Receivables from related parties

The details of receivables from related parties to the consolidated company are as follows:

Item	Related party categories	December 31, 2025	December 31, 2024
Accounts receivable	Merry Thailand, a subsidiary of the Merry Electronics Co., Ltd.	$ 396,778	246,452
	Merry Shenzhen, a subsidiary of the Merry Electronics Co., Ltd.	257,522	160,216
	Merry Vietnam, a subsidiary of the Merry Electronics Co., Ltd.	16,691	39,515
	Merry Electronics Co., Ltd.	638	71
	Other related parties	54,446	28,847
		$ 726,075	475,101

4. Payables to related parties

The details of payables to related parties by the consolidated company are as follows:

Item	Related party categories	December 31, 2025	December 31, 2024
Accounts payable	Other related parties	$ 27	27

5. Prepayments to related parties

The details of prepayments to related parties by the Consolidated Company are as follows:

Item	Related party categories	December 31, 2025	December 31, 2024
Accounts prepayments	Other related parties	$ 1,846	-

(III) Key management personnel transaction

Key management personnel compensation includes:

	2025	2024
Short-term employee benefits	$ 28,053	29,182
Retirement benefits	-	-
Other long-term employee benefits	-	-
Demission benefits	-	-
Share-based payment	-	-
	$ 28,053	29,182

VIII. Pledged Assets

The details of the carrying amount of the assets pledged by the consolidated company are as follows:

Asset	Purpose of pledge	December 31, 2025	December 31, 2024
Other financial assets - current	Long-term borrowings guarantee (including those due within one year)	$ 3,000	4,503
Other financial assets - non-current	Corporate bonds	-	8,693
Property, plant and equipment	Short-term and long-term borrowings guarantee (including those due within one year)	501,956	529,839
		$ 504,956	543,035

IX. Significant Contingent Liabilities and Unrecognized Commitments

The unrecognized contractual commitments of the Consolidated Company are as follows:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	$ 90,359	485,121

X. Losses Due to Major Disasters: None.

XI. Major Subsequent Events

On October 23, 2025, the Company's Board of Directors resolved to issue the fourth and fifth domestic unsecured convertible corporate bonds. Subsequently, due to adjustments in capital allocation strategies and an overall assessment of current capital market conditions, the Company applied to the competent authorities on January 13, 2026, to withdraw the registration of the aforementioned convertible corporate bonds. The Company will reevaluate the appropriate timing for filing and issuance in the future, based on market trends and overall planning.

The Company initially planned to issue convertible bonds to fund the 100% equity acquisition of four companies under the Bi-Link Group: Bi-Link Metal Specialties, Inc., Bi-Link Mexico, S. de R.L. de C.V., Bi-Link (Australia) PTY Limited, Bi-Link Vietnam Limited. However, due to adjustments in capital allocation strategies and current capital market conditions, the Company withdrew the relevant application on January 13, 2026. The Company has reapplied to adjust the funding sources and investment purposes for its investments in Mainland China. Relevant application documents have been submitted to the Investment Commission for review. Upon receiving approval from the Investment Commission, the Company will proceed with the subsequent acquisition procedures.

XII. Others

(I) Employee benefits, depreciation, and amortization expense are summarized by function as follows:

Function / Classification	2025			2024		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits expenses						
Salary expenses	355,963	159,322	515,285	315,439	150,833	466,272
Labor and national health insurance expenses	6,479	10,104	16,583	7,486	9,554	17,040
Pension expenses	22,766	4,909	27,675	22,797	5,624	28,421
Compensation to directors	-	13,353	13,353	-	15,136	15,136
Other employee benefit expenses	13,137	3,714	16,851	13,371	3,921	17,292
Depreciation expense	76,675	77,739	154,414	74,666	75,454	150,120
Amortization expense	3,015	2,308	5,323	4,544	2,044	6,588

XIII. Additional Disclosures

(I) Information on significant transactions

In 2025, the Consolidated Company should re-disclose the relevant information of significant transactions in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers as follows:

1. Lending funds to others:

No.	Name of the company providing loans to others	Party to transactions	Account classification	Related party	Maximum balance of the period	Ending balance	Amount actually drawn	Interest rate range	Type of loans (Note 1)	Transaction amounts	Reason for financing	Allowance for bad debts	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
1	Donyun Plastic	Doncan Nanjing	Receivables from related parties	Yes	175,120	175,120	53,898 (RMB$12,000)	3%	2	-	Operating capital	-	None	-	1,547,813	3,095,626
2	Donyun Plastic	Doncan Jiangsu	Receivables from related parties	Yes	81,358	81,358	35,932 (RMB$8,000)	3%	2	-	Operating capital	-	None	-	1,547,813	3,095,626
3	Doncan Jiangsu	Doncan Nanjing	Receivables from related parties	Yes	150,000	-	-	-%	-	-	-	-	None	-	-	-

Note 1: The nature for financing is as follows:
1. Where an inter-company or inter-firm business transaction calls for a loan arrangement.
2. Where a short-term financing facility is necessary.

Note 2: In accordance with the financing and endorsement and guarantee treatment rules of each subsidiary, the funds lent to a subsidiary by another subsidiary in which the Company directly or indirectly holds 100% or more of the shares are limited to 100% of the current net worth of financing company.

Note 3: In accordance with the financing and endorsement and guarantee treatment rules of each subsidiary, the total amount of the funds lent to a subsidiary by another subsidiary in which the Company directly or indirectly holds 100% or more of the shares are limited to 200% of the current net worth of financing company.

2. Providing endorsements or guarantees for others:

No.	Endorsement/ guarantee provider	Guaranteed party		Limits on endorsement/ guarantee amount provided to each guaranteed party (Note 1)	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 2)	Endorsement /guarantee provided by parent company to subsidiary	Endorsement /guarantee provided by subsidiary to parent company	Endorsement /guarantee to entity in Mainland China
		Company name	Relationships (Note 3)										
1	The Company	Donpon Thailand	2	1,546,483	368,528	368,528	179,776	-	16.68%	2,209,262	Y	N	N
2	Donyun International	The Company	3	1,487,433	280,000	280,000	262,161	-	13.18%	2,124,904	N	Y	N

Note 1: In accordance with the guarantee limits in the financing and endorsement and guarantee treatment rules of each subsidiary, the subsidiary's endorsement and guarantee amount shall not exceed 70% of its current

net worth for those subsidiaries in which the Company directly or indirectly holds 100% of stocks and for the re-invested companies in which the Company holds more than 50% of stocks; however, the aforementioned requirement shall not apply to companies in which the subsidiary directly or indirectly holds 100% of stocks.

Note 2: In accordance with the guarantee limits in the financing and endorsement and guarantee treatment rules of each subsidiary, the subsidiary's total endorsement and guarantee amount shall not exceed 100% of its current net worth for those subsidiaries in which the Company directly or indirectly holds 100% of stocks and for the re-invested companies in which the Company holds more than 50% of stocks; however, the aforementioned requirement shall not apply to companies in which the subsidiary directly or indirectly holds 100% of stocks.

Note 3: The relationship between the endorser and the subject of endorsement is as follows:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. Where a public company fulfills its contractual obligations by providing mutual endorsements/ guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages
7. Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Unit: thousands of shares

Holding company	Marketable securities type and name	Relationship to the issuer	Classification	End of the period				Highest holding during the period		Remark
				Number of shares	Carrying amount	Ratio of shareholding	Fair value	Number of shares	Ratio of shareholding	
The Company	Stocks - Rock Electronic Optical	Other related parties	Financial assets at fair value through other comprehensive income	146	4,862	3.62	4,862	475	7.14	
The Company	Fund - CDIB-Mac Limited Partnership	None	Financial assets at fair value through other comprehensive income	-	28,480	5.83	28,480	-	5.83	
The Company	Stocks - Great Optical	None	Financial assets at fair value through other comprehensive income	382	-	6.37	-	382	6.37	
The Company	Stocks - HCmed	None	Financial assets at fair value through other comprehensive income	1,004	62,057	3.07	62,057	1,004	3.07	
Don Bo Investment Inc.	Stocks - Yuwei International	Other related parties	Financial assets at fair value through other comprehensive income	6,266	14,971	14.71	14,971	6,266	14.71	

4. The purchase and sale of goods with related parties reaching NTD100 million or 20% of paid-in capital or more:

Company name	Related party	Relationships	Transaction details				Abnormal transaction		Notes/ accounts payable or receivable		Remark
			Purchases/ sales	Amount	% to total	Payment terms	Unit price	Payment terms	Ending balance	% to total notes and accounts receivable (payable)	
The Company	Donyun Plastic	A Subsidiary of Donyun International, a subsidiary of the Company	Purchases	751,623	78 %	(Note)	-	(Note)	(472,217)	(90)%	(Note 1)
Donyun Plastic	The Company	The ultimate parent of Donyun Plastic	(Sales)	(751,623)	(53) %	(Note)	-	(Note)	472,217	59%	(Note 1)
The Company	Merry Thailand	Subsidiary of an entity that exercises significant influence over the Consolidated Company	(Sales)	(771,163)	(66) %	120 days	-	120 days	308,973	67%	
Donyun Plastic	Merry ShenZhen	Subsidiary of an entity that exercises significant influence over the Consolidated Company	(Sales)	(529,045)	(37) %	120 days	-	120 days	257,522	32%	
The Company	Rock Electronic Optical Co., Ltd.	The Chairman of the Company is the same as that company	(Sales)	(107,154)	9 %	120 days	-	120 days	53,842	12%	

Note: The prices of purchase/sale transactions between related parties are not comparable due to product specificity and industry characteristics. In addition, the payment period is not significantly different from that of general customers, except for the working capital status of the Group Company.

Note 1: It has been written off in the consolidated financial statements.

5. Receivables from related parties reaching NTD100 million or 20% of paid-in capital or more:

Company name	Related party	Relationships	Balance of receivables from related parties	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Donyun Plastic	The Company	The ultimate parent of Donyun Plastic	472,217	1.69%	-	N/A	19,796 (Note)	-
The Company	Merry Thailand	Subsidiary of an entity that exercises significant influence over the Consolidated Company	308,973	2.78%	-	N/A	71,356 (Note)	-

Company name	Related party	Relationships	Balance of receivables from related parties	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Donyun Plastic	Merry ShenZhen	Subsidiary of an entity that exercises significant influence over the Consolidated Company	257,522	2.53%	-	N/A	- (Note)	-

Note: as of February 24, 2026.

6. Business relations between the parent and subsidiaries and significant transactions between them:

No. (Note 1)	Name of trader	Transaction counterparty	Relationship to the counterparty (Note 2)	Intercompany transactions			
				Classification	Amount	Transaction terms	% of total
0	The Company	Donyun Plastic	1	Purchases	751,623	Note	32.32%
0	The Company	Donyun Plastic	1	Accounts payable	472,217	Note	9.91%
1	Doncan Nanjing	Doncan Jiangsu	3	Purchases	26,505	Note	1.14%

Note 1: The number is filled in as follows:
1. Parent company is numbered 0.
2. Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: The types of relationships with counterparties are as follows:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The above-mentioned transactions have been offset when the consolidated financial statements are prepared.

Note: The prices of purchase/sale transactions between parent company and subsidiaries are not comparable due to product specificity and industry characteristics. In addition, the periods of payment depend on the Group's overall fund demand.

(II) Information on reinvestment:

The information on the investees of the Consolidated Company in 2025 is as follows (excluding investee companies in China):

Unit: thousands of shares

Investment company	Investee company	Location	Business scope	Original investment amount		Holding at the end of the period			Highest holding during the period		Current profit and loss of investee company	Share of profits/losses of investee	Remark
				End of the current period	End of last year	Number of shares	Proportion	Carrying amount	Number of shares	Ratio of shareholding			
The Company	Donsun International	British Virgin Islands	Holding company	135,591	526,501	Note 1	100%	296,698	Note 1	100%	(21,122) (US$(657))	(21,122) (US$(657))	Note 2
The Company	Donkin International	British Virgin Islands	Holding company	290,386	144,445	Note 1	100%	1,927,322	Note 1	100%	261,146 (US$8,439)	261,146 (US$8,439)	Note 2
The Company	Donyun International	Western Samoa	Holding company	10,942 (US$356)	10,942 (US$356)	Note 1	3.87%	82,234	Note 1	7.44%	293,215 (US$9,465)	13,345 (US$427)	Note 2
The Company	Don Bo Investment Inc.	Taiwan	Holding company	35,000	35,000	3,500	100%	19,824	3,500	100%	(617)	(617)	Note 2
Donsun International	Doncan International	Western Samoa	Holding company	34,159 (US$795)	425,069 (US$13,795)	Note 1	100%	285,405 (US$ 9,081)	Note 1	100%	(21,124) (US$(657))	(21,124) (US$(657))	Note 2
Doncan International	Donyun International	Western Samoa	Holding company	15,317 (US$500)	15,317 (US$500)	Note 1	5.43%	115,382 (US$ 3,671)	Note 1	10.44%	293,215 (US$9,465)	18,724 (US$599)	Note 2
Donkin International	Donyun International	Western Samoa	Holding company	290,382 (US$8,342)	144,441 (US$3,930)	Note 1	90.70%	1,927,288 (US$61,320)	Note 1	82.12%	293,215 (US$9,465)	261,146 (US$8,439)	Note 2

Notes to Consolidated Financial Statements of Donpon Precision Inc. and Subsidiaries (Continued)

Investment company	Investee company	Location	Business scope	Original investment amount		Holding at the end of the period			Highest holding during the period		Current profit and loss of investee company	Share of profits/losses of investee	Remark
				End of the current period	End of last year	Number of shares	Proportion	Carrying amount	Number of shares	Ratio of shareholding			
Donyun International	Donpon Thailand	Thailand	Manufacture and sales of plastic products and molds for automobile and electronics	457,871 (THB$500,000)	311,930 (THB$350,000)	Note 1	100%	475,318 (US$15,123)	Note 1	100.00%	(15,432) (THB$(16,467))	(15,432) (US$(496))	Note 2
Don Bo Investment Inc.	Yutron Precision	Taiwan	Metal processing	10,000	10,000	1,000	20%	51	1,000	20%	(3,076)	(615)	

Note 1: It is a limited liability company.

Note 2: It has been written off in the consolidated financial statements.

(III) Information on investment in Mainland China:

1. Information on reinvestment in Mainland China:

Foreign currency unit: USD/HKD/CNY thousand

Invested company in China	Business scope	Paid-in shares capital	Investment method	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage	Highest holding during the period		Profit and/or loss recognized this term (Note 2)	Carrying amount of investments at the end of the period	Accumulated inward remittance of earnings as of December 31, 2025
					Outflow	Inflow				Number of shares	Ownership percentage			
Donyun Plastic	Manufacture of plastic products and molds for automobile and electronics	HK$66,586	Note 1	287,453	-	-	287,453	305,678 (RMB$70,884)	100%	Note 5	100%	305,678 (US$9,865)	1,535,786 (US$48,864)	97,244
Nanchang Phoenix Digital Technology Co., Ltd.	Manufacture and sales of cameras	RMB$30,000	Note 1	6,777	-	-	6,777	-	5%	Note 5	5%	-	-	-
Doncan Jiangsu	Manufacture of plastic products and molds for automobile and electronics	RMB$41,065	Note 1	159,207	-	159,207 (Note 4)	-	(4,264) (RMB$(945))	100%	Note 5	100%	(4,264) (RMB$(945))	374,199 (RMB$83,257)	314,886
Doncan Nanjing	Manufacture of auto parts	RMB$78,867	Note 1	115,203	-	33,010 (Note 4)	82,193	(35,252) (RMB$(8,112))	100%	Note 5	100%	(35,252) (RMB$(8,112))	77,329 (RMB$17,205)	-

2. Upper limit on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2025	**Investment amounts authorized by investment commission, MOEA** (Note 3)	**Upper limit on investment**
376,423	US$6,421 & HK$18,941 NTD$407,216	1,325,557

Note 1: Reinvested company in China through a company in which the same have invested in a third jurisdiction.

Note 2: It is recognized based on the audited financial statements of each investee company.

Note 3: This is converted according to the exchange rate at the time when the investment was reviewed and approved by the Investment Review Board, and its difference from cumulative amount remitted from Taiwan for investment in Chinese Mainland is generated by the capital verification by Chinese Customs for the investment in machinery and equipment through a third jurisdiction.

Note 4: Pursuant to the resolution of the Board of Directors on April 23, 2025, the Consolidated Company approved a restructuring of the investment architecture for Doncan Jiangsu and Doncan Nanjing. The 100% direct equity interest in Doncan Jiangsu and Doncan Nanjing, previously held by Doncan International, was transferred to Donyun Plastic. The relevant registration procedures have been completed.

Note 5: It is a limited liability company.

3. Significant transactions:

For the direct or indirect significant transactions between the consolidated company and the Chinese invested company in 2025 (which have been offset when the consolidated report is prepared), please refer to "Information on Significant Transactions" for details.

XIV. Department Information

(I) General information

The Consolidated Company has two business units to be disclosed, the Plastic Mold Business Unit and the Other Business Unit. The Plastic Mold Business Unit is engaged in the production and sales of plastic products and molds. The Other Business Unit is engaged in the manufacture of electronic components and auto parts.

The segments to be disclosed of the Consolidated Company are strategic business units that provide different products and labor services. Each strategic business unit requires different technology and marketing strategy, so they must be managed separately. Most of the business units are acquired separately, and the management team at the time of acquisition is retained.

(II) Information on segment gains and losses, assets, liabilities and their measurement basis and adjustments which shall be disclosed

The Consolidated Company uses the segment profit or loss after tax (excluding extraordinary profit or loss and exchange profit or loss) from internal management reports reviewed by the key operating decision maker as the basis for the management to allocate resources and evaluate performance. Since the income taxes, extraordinary profit or loss and exchange profit or loss are managed on a group basis, the Consolidated Company does not allocate income tax expenses (profits), extraordinary profit or loss and exchange profit or loss to the segments to be disclosed. In addition, not all segments to be disclosed include significant non-cash items other than depreciation and amortization. The amounts reported are consistent with the reports used by the operating decision makers.

The accounting policies of the operating segments are the same as the summary of significant accounting policies described in Note IV.

The Consolidated Company considers inter-segment sales and transfers as transactions with third parties and measures them at current market prices.

The information and adjustments of the operating departments of the consolidated company are as follows:

	2025			
	Plastic mold business unit	**Other business unit**	**Adjustment and write off**	**Total**
Income:				
Income from external customers	$ 1,785,122	540,417	-	2,325,539
Income from each department	801,450	7,800	(809,250)	-
Interest income	29,547	35	(3,748)	25,834
Total income	**$ 2,616,119**	**548,252**	**(812,998)**	**2,351,373**
Depreciation and amortization	151,069	8,668	-	159,737
Interest expenses	34,293	3,617	(3,748)	34,162
Share of profit and loss of associates and joint ventures accounted for using equity method	762,230	(615)	(762,230)	(615)
Segment gains and losses which shall be disclosed	**$ 1,054,070**	**(35,869)**	**(797,345)**	**220,856**
Investments accounted for using equity method	7,116,786	51	(7,116,786)	51
Capital expenditure on non-current assets	408,905	396	-	409,301
Segment assets which shall be disclosed	**$ 7,606,915**	**176,623**	**(3,017,362)**	**4,766,176**
Segment liabilities which shall be disclosed	**$ 3,081,749**	**62,139**	**(586,974)**	**2,556,914**

	2024			
	Plastic mold business unit	**Other business unit**	**Adjustment and write off**	**Total**
Income:				
Income from external customers	$ 1,455,586	511,324	-	1,966,910
Income from each department	864,089	50,451	(914,540)	-
Interest income	27,866	75	(4,749)	23,192
Total income	**$ 2,347,541**	**561,850**	**(919,289)**	**1,990,102**
Depreciation and amortization	146,716	9,992	-	156,708
Interest expenses	21,051	5,280	(4,749)	21,582
Share of profit and loss of associates and joint ventures accounted for using equity method	791,324	(2,094)	(791,324)	(2,094)
Segment gains and losses which shall be disclosed	**$ 1,142,571**	**(33,041)**	**(858,449)**	**251,081**
Investments accounted for using equity method	6,806,669	666	(6,806,669)	666
Capital expenditure on non-current assets	365,599	721	-	366,320
Segment assets which shall be disclosed	**$ 11,248,224**	**487,571**	**(7,555,915)**	**4,179,880**
Segment liabilities which shall be disclosed	**$ 2,208,062**	**352,842**	**(747,773)**	**1,813,131**

(III) Geographic information

The geographic information of the Consolidated Company is as follows, and the non-current assets are classified based on the geographic location of the asset.

Non-current assets:

Geography	December 31, 2025	December 31, 2024
Taiwan	$ 437,569	443,372
Thailand	899,484	487,325
Other countries	569,689	648,763
Total	**$ 1,906,742**	**1,579,460**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other assets, but do not include financial instruments and deferred income tax assets.

(IV) Information of major customers

	2025	2024
Merry Group, customer from the Plastic Molding Business Unit	**$ 1,409,858**	**1,206,138**