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**FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31,
2025 AND 2024**

**Address : 3F., No. 172, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)
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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2025 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Group, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Group did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

Fusheng Precision Co., Ltd.

Chairman: LEE, LIANG-CHEN

March 10, 2026



安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To Fusheng Precision Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Fusheng Precision Co., Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in stockholders’ equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively “the consolidated financial statements”).

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the *Other Matter— Making Reference to the Audit(s) of Other Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, 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 2025 consolidated financial statements. 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.

Recognition of Operating Revenue

The Company and its subsidiaries recognized operating revenue in the amount of NTD 29,789,756 thousand in 2025. As the Group had a large number of customers and products were sold to domestic and international markets involving various transaction terms, the reasonableness of its judgment when the obligation performance is satisfied will have a material impact on the revenue recognition. We therefore determined this to be a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; understanding and testing the effectiveness of internal control established by management regarding revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the appropriateness of the disclosures related to operating revenues. Please refer to Notes 4 and 6 to the consolidated financial statements.

Inventory valuation

The net carrying value of inventory as of December 31, 2025, for the Company and its subsidiaries amounted to NTD 4,572,747 thousand, which accounted for 15.10% of total consolidated assets and was significant to the consolidated financial statements. The inventory consists of various types, and the allowance for obsolescence or slow-moving inventory involves significant judgment from management. We therefore determined this to be a key audit matter.



Our audit procedures included but not limited to, understanding the process design of the allowance for inventory valuation loss, selecting samples to recheck the unit cost of inventory; observing the process of inventory counts; testing the accuracy of the inventory aging intervals provided by the Group; selecting samples to review related certificates to verify the correctness of the net realizable value that management used with respect to different inventory type.

We also assessed the appropriateness of the disclosures related to inventories. Please refer to Notes 4, Notes 5 and 6 of the consolidated financial statements.

Business combinations

In April 2025, the Company acquired 51% equity interest in Proxene Tools Co., Ltd. and its subsidiaries for NTD 1,481,295 thousand, thereby obtaining control over the company. Given the materiality of the business combination transaction and the accounting treatment involved, management was required to determine the fair values of the identifiable assets acquired and liabilities assumed. The related assessments involved numerous assumptions and a high level of complexity, which had a significant impact on the consolidated financial statements. We therefore determined this to be a key audit matter.

Our audit procedures included but not limited to, understanding and evaluating the internal control procedures related to the investment transaction of the Company, and reviewing relevant board meeting documents to confirm that the investment was executed in accordance with the relevant procedures; reviewing the acquisition agreements and verifying payment vouchers to confirm the acquisition consideration; obtaining the purchase price allocation report prepared by external experts commissioned by management, and engaging the firm's valuation experts to assist in reviewing the purchase price allocation report issued by the external experts to assess the reasonableness of the valuation models used, the parameters adopted, and the identified intangible assets and their estimated useful economic lives as of the acquisition date, as well as the adequacy of disclosures related to the acquisition.

We also assessed the appropriateness of the disclosures related to business combinations. Please refer to Notes 4 and 6 of the consolidated financial statements.

Other Matter – Making Reference to the Audit(s) of Other Auditors

We did not audit the consolidated financial statements of certain subsidiaries whose statements are based solely on the reports of the other auditors. The total assets of these subsidiaries amounted to NTD 1,777,874 thousand and NTD 66,561 thousand, representing 5.87% and 0.25% of the consolidated total assets as of December 31, 2025 and 2024, respectively. The total operating revenues of these subsidiaries amounted to NTD 645,784 thousand and NTD 646,338 thousand, representing 2.17% and 2.28% of the consolidated total operating revenues for the years ended December 31 2025 and 2024, respectively.



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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 to continue as a going concern of the Company and its subsidiaries. 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying 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 or business activities within the Company and its subsidiaries 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 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.



Others

We have audited and expressed unqualified opinions including Other Matter paragraph in the parent company only financial statements of the Company as of and for the years ended December 31, 2025 and 2024, respectively.

Chang, Chiao-Ying
Huang, Tzu-Ping
Ernst & Young, Taiwan
March 10, 2026

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31,	
		2025	2024 (After retrospective adjustments) (Note)
Current assets			
Cash and cash equivalents	4 and 6	\$7,837,404	\$7,397,574
Current financial assets at fair value through profit or loss	4 and 6	172,782	170,870
Current financial assets at amortised cost	4, 6 and 8	179,370	15,000
Notes receivable, net	4, 5 and 6	11,194	16,515
Accounts receivable, net	4, 5, 6 and 7	5,982,268	5,361,161
Other receivables	4	372,590	651,873
Current tax assets		1,068	7,707
Inventories, net	4, 5 and 6	4,572,747	4,077,040
Prepayments		615,702	219,806
Other current assets		33,285	1,416
Total current assets		19,778,410	17,918,962
Non-current assets			
Non-current financial assets at fair value through profit or loss	4 and 6	115,235	62,817
Non-current financial assets at amortised cost	4 and 6	637	4,533
Property, plant and equipment	4, 6, 7 and 8	7,096,732	5,802,878
Right-of-use assets	4, 6, 7 and 8	747,510	767,762
Investment property, net	4	25,099	-
Intangible assets	4, 5 and 6	1,736,098	1,099,545
Deferred tax assets	4, 5 and 6	85,858	75,616
Prepayments for business facilities		365,911	65,329
Guarantee deposits paid	7	80,472	85,220
Other non-current assets, others		255,188	280,864
Total non-current assets		10,508,740	8,244,564
Total assets		\$30,287,150	\$26,163,526
Liability and Equity			
Current liabilities			
Current borrowings	4, 6 and 8	\$1,919,867	\$1,188,095
Current contract liabilities	4 and 6	114,306	44,386
Notes payable	4	5,596	5
Accounts payable	4 and 7	3,544,486	3,599,725
Other payables	6 and 7	2,041,062	2,473,550
Current tax liabilities	4 and 5	1,033,094	742,636
Current provisions	4, 5 and 6	14,664	22,032
Current lease liabilities	4, 6 and 7	60,686	39,359
Bonds payable, current portion	4 and 6	-	352,783
Long-term liabilities, current portion	4, 5 and 6	66,258	8,160
Other current liabilities, others		511,784	224,433
Total current liabilities		9,311,803	8,695,164
Non-current liabilities			
Bonds payables	4 and 6	1,543,436	-
Non-current portion of non-current borrowings	4 and 6	85,788	24,480
Non-current provisions	4, 5 and 6	12,438	10,391
Deferred tax liabilities	4, 5 and 6	216,914	141,379
Non-current lease liabilities	4, 6 and 7	301,914	322,687
Net defined benefit liability, non-current	4, 5 and 6	88,006	86,796
Guarantee deposits received		4,633	376
Other non-current liabilities, others	6	21,550	185,851
Total non-current liabilities		2,274,679	771,960
Total liabilities		11,586,482	9,467,124
Equity			
Equity attributable to owners of parent	4 and 6		
Ordinary share		1,393,870	1,366,582
Certificate of entitlement to new shares from convertible bond		-	7,506
Capital surplus	4 and 6	3,814,258	3,247,601
Retained earnings			
Legal reserve		2,631,044	2,252,645
Special reserve		266,902	582,078
Unappropriated retained earnings		7,798,595	7,483,535
Total retained earnings		10,696,541	10,318,258
Other equity interest	4		
Exchange differences on translation of foreign financial statements		(361,860)	(266,902)
Total equity attributable to owners of parent		15,542,809	14,673,045
Non-controlling interests	6	3,157,859	2,023,357
Total equity		18,700,668	16,696,402
Total liabilities and equity		\$30,287,150	\$26,163,526

Note: The Group completed the fair value assessment report as of August 23, 2024, the acquisition date, for the acquisition of Alloy Seiko Industry (SZ) Co., LTD. and its subsidiaries during April 2025. Therefore, retrospective adjustments were made to the financial statements for each period from the acquisition date to December 31, 2024. For further details, please refer to Note 6(27).

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Accounting Items	Notes	For the years ended December 31,	
		2025	2024
Operating revenues	4, 6 and 7	\$29,789,756	\$28,369,692
Operating costs	4, 6 and 7	(22,209,423)	(20,806,315)
Gross profit from operations		<u>7,580,333</u>	<u>7,563,377</u>
Operating expense	4, 6 and 7		
Selling expenses		(474,581)	(456,052)
Administrative expenses		(1,544,938)	(1,546,294)
Research and development expenses		(920,293)	(828,295)
Impairment loss (impairment gain and reversal of impairment loss)		(8,390)	(74,802)
Total operating expenses		<u>(2,948,202)</u>	<u>(2,905,443)</u>
Net operating income		<u>4,632,131</u>	<u>4,657,934</u>
Non-operating income and expenses	4, 6 and 7		
Interest income		156,931	208,770
Other income		111,693	113,371
Other gains and losses, net		(377,828)	259,614
Finance costs, net		(79,177)	(96,945)
Total non-operating income and expenses		<u>(188,381)</u>	<u>484,810</u>
Profit from continuing operations before tax		4,443,750	5,142,744
Total tax expense	4 and 6	(999,393)	(1,083,340)
Profit		<u>3,444,357</u>	<u>4,059,404</u>
Other comprehensive income, net	4 and 6		
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit plans		(6,539)	(17,887)
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		(87,097)	344,897
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		1,782	-
Other comprehensive income, net		<u>(91,854)</u>	<u>327,010</u>
Total comprehensive income		<u><u>\$3,352,503</u></u>	<u><u>\$4,386,414</u></u>
Profit, attributable to:			
Profit, attributable to owners of parent		\$3,121,390	\$3,795,669
Profit, attributable to non-controlling interests		322,967	263,735
		<u><u>\$3,444,357</u></u>	<u><u>\$4,059,404</u></u>
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$3,022,162	\$4,099,165
Comprehensive income, attributable to non-controlling interests		330,341	287,249
		<u><u>\$3,352,503</u></u>	<u><u>\$4,386,414</u></u>
Earnings per share(NT\$):	6		
Basic earnings per share		<u>\$22.45</u>	<u>\$28.17</u>
Diluted earnings per share		<u><u>\$22.18</u></u>	<u><u>\$27.19</u></u>

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
	Share capital		Retained earnings							
	Ordinary share	Certificate of entitlement of new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Balance as of January 1, 2024	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166	\$1,282,232	\$12,431,398
Appropriation and distribution of 2023 retained earnings										
Legal reserve appropriated	-	-	-	238,651	-	(238,651)	-	-	-	-
Special reserve appropriated	-	-	-	-	160,538	(160,538)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(1,659,703)	-	(1,659,703)	-	(1,659,703)
Due to recognition of equity component of convertible bonds issued	-	-	(133,907)	-	-	-	-	(133,907)	-	(133,907)
Profit in 2024	-	-	-	-	-	3,795,669	-	3,795,669	263,735	4,059,404
Other comprehensive income in 2024	-	-	-	-	-	(11,680)	315,176	303,496	23,514	327,010
Total comprehensive income	-	-	-	-	-	3,783,989	315,176	4,099,165	287,249	4,386,414
Conversion of convertible bonds	-	48,353	918,058	-	-	-	-	966,411	-	966,411
Conversion of certificates of bonds-to-share	40,847	(40,847)	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	195,037	-	-	-	-	195,037	-	195,037
Changes in ownership interests in subsidiaries	-	-	56,425	-	-	-	-	56,425	339,047	395,472
Share-based payments	-	-	451	-	-	-	-	451	-	451
Changes in non-controlling interests	-	-	-	-	-	-	-	-	114,829	114,829
Balance as of December 31, 2024 (After retrospective adjustments) (Note)	<u>\$1,366,582</u>	<u>\$7,506</u>	<u>\$3,247,601</u>	<u>\$2,252,645</u>	<u>\$582,078</u>	<u>\$7,483,535</u>	<u>\$(266,902)</u>	<u>\$14,673,045</u>	<u>\$2,023,357</u>	<u>\$16,696,402</u>
Balance as of January 1, 2025 (After retrospective adjustments) (Note)	\$1,366,582	\$7,506	\$3,247,601	\$2,252,645	\$582,078	\$7,483,535	\$(266,902)	\$14,673,045	\$2,023,357	\$16,696,402
Appropriation and distribution of 2024 retained earnings										
Legal reserve appropriated	-	-	-	378,399	-	(378,399)	-	-	-	-
Reversal of special reserve	-	-	-	-	(315,176)	315,176	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(2,738,837)	-	(2,738,837)	-	(2,738,837)
Due to recognition of equity component of convertible bonds issued	-	-	166,744	-	-	-	-	166,744	12,469	179,213
Profit in 2025	-	-	-	-	-	3,121,390	-	3,121,390	322,967	3,444,357
Other comprehensive income in 2025	-	-	-	-	-	(4,270)	(94,958)	(99,228)	7,374	(91,854)
Total comprehensive income	-	-	-	-	-	3,117,120	(94,958)	3,022,162	330,341	3,352,503
Conversion of convertible bonds	-	19,782	370,289	-	-	-	-	390,071	-	390,071
Conversion of certificates of bonds-to-share	27,288	(27,288)	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	29,624	-	-	-	-	29,624	544	30,168
Changes in non-controlling interests	-	-	-	-	-	-	-	-	791,148	791,148
Balance as of December 31, 2025	<u>\$1,393,870</u>	<u>\$-</u>	<u>\$3,814,258</u>	<u>\$2,631,044</u>	<u>\$266,902</u>	<u>\$7,798,595</u>	<u>\$(361,860)</u>	<u>\$15,542,809</u>	<u>\$3,157,859</u>	<u>\$18,700,668</u>

Note: The Group completed the fair value assessment report as of August 23, 2024, the acquisition date, for the acquisition of Alloy Seiko Industry (SZ) Co., LTD. and its subsidiaries during April 2025. Therefore, retrospective adjustments were made to the financial statements for each period from the acquisition date to December 31, 2024. For further details, please refer to Note 6(27).

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended in December 31,	
	2025	2024 (After retrospective adjustments) (Note)
Cash flows from (used in) operating activities:		
Profit before tax	\$4,443,750	\$5,142,744
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	901,949	849,733
Amortization expense	83,910	47,955
Expected credit loss (gain) for bad debt expense	8,390	74,802
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(16,394)	(3,890)
Interest expense	79,177	96,945
Interest income	(156,931)	(208,770)
Dividend income	(6,145)	(6,171)
Share-based payments	-	20,654
Loss (gain) on disposal of property, plan and equipment	(2,079)	10,704
Gains on lease modification	-	(120)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	7,202	(5,889)
Decrease (increase) in accounts receivable	(491,355)	(448,426)
Decrease (increase) in other receivable	320,228	(121,742)
Decrease (increase) in inventories	(213,539)	(865,634)
Decrease (increase) in prepayments	(389,936)	10,626
Decrease (increase) in other current assets	(31,869)	5,524
Increase (decrease) in contract liabilities	53,065	(44,022)
Increase (decrease) in notes payable	5,303	-
Increase (decrease) in accounts payable	(74,320)	549,308
Increase (decrease) in other payable	(538,786)	206,212
Increase (decrease) in provisions	(5,496)	(11,786)
Increase (decrease) in other current liabilities	272,662	195,791
Increase (decrease) in net defined benefit liability	(3,060)	8,232
Cash inflow (outflow) generated from operations	4,245,726	5,502,780
Interest received	156,931	208,770
Interest paid	(68,552)	(77,209)
Income tax paid	(679,869)	(844,084)
Net cash flows from (used in) operating activities	3,654,236	4,790,257

(Continued)

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended in December, 31	
	2025	2024 (After retrospective adjustments) (Note)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	\$(255,411)	\$(3,873)
Proceeds from disposal of financial assets at amortised cost	151,277	57,878
Acquisition of financial assets at fair value through profit or loss	(42,677)	(16,705)
Proceeds from disposal of financial assets at fair value through profit or loss	173,502	458
Acquisition of subsidiaries (Deduct the cash obtained)	(1,182,458)	17,144
Acquisition of property, plant and equipment	(824,189)	(1,130,040)
Proceeds from disposal of property, plant and equipment	63,213	84,397
Decrease in refundable deposits	5,126	57,119
Acquisition of intangible assets	(8,872)	(3,790)
Acquisition of use-of-right assets	-	(58,157)
Decrease in other non-current assets	33,426	87,486
Increase in prepayments for business facilities	(300,147)	(32,774)
Acquisition dividends	6,145	6,171
Net cash flows from (used in) investing activities	(2,181,065)	(934,686)
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,338,177	1,568,830
Decrease in short-term loans	(2,028,771)	(1,499,844)
Proceeds from issuing bonds	1,780,269	-
Repayments of bonds	(17,200)	-
Repayments of long-term debt	(64,596)	(32,366)
Increase in guarantee deposits received	4,059	-
Decrease in guarantee deposits received	-	(2,937)
Payments of lease liabilities	(49,781)	(76,522)
Decrease in other non-current liabilities	(176,998)	(173,005)
Cash dividends	(2,738,837)	(1,659,703)
Disposal of ownership interests in subsidiaries (without losing control)	-	551,160
Changes in non-controlling interests	(254,742)	(249,750)
Net cash flows from (used in) financing activities	(1,208,420)	(1,574,137)
Effects of exchange rate changes on cash and cash equivalents	175,079	261,665
Net increase (decrease) in cash and cash equivalents	439,830	2,543,099
Cash and cash equivalents at beginning of period	7,397,574	4,854,475
Cash and cash equivalents at end of period	<u>\$7,837,404</u>	<u>\$7,397,574</u>

Note: The Group completed the fair value assessment report as of August 23, 2024, the acquisition date, for the acquisition of Alloy Seiko Industry (SZ) Co., LTD. and its subsidiaries during April 2025. Therefore, retrospective adjustments were made to the financial statements for each period from the acquisition date to December 31, 2024. For further details, please refer to Note 6(27).

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

- (1) FuSheng Precision Co., Ltd. (The Company) was established by Coöperatieve Valiant APO Global U.A. on September 14, 2010.
- (2) To work in line with the parent company, Coöperatieve Valiant APO Global U.A., to engage in re-organization and specialization to enhance competitiveness and efficiency of management, the Company's board of directors ("Board of Directors") approved on September 14, 2010 the proposed deal to divide and assign the Sporting Goods Divisions (SGD) and Precision Products Divisions (PPD) of Fu Sheng Industrial CO., Ltd. under "Business Mergers and Acquisitions Act" and "Company Act", effective November 1, 2010. The assets, liabilities, all rights and obligations of SGD and PPD, including the existing factories, equipment and employees, were assigned to the Company upon completion of the division and assignment. The Company will continue to operate its business.
- (3) The Company's first public offering was approved in October 2017 and its shares were first traded on the emerging stock market on November 30, 2017. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on December 18, 2018. The Company's registered office and the main business location are at 3F., No. 172. Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.) and No. 9, Xingzhong St., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2025 and 2024 were authorized for issue by the Board of Directors on March 10, 2026.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. There are no newly adopted or revised standards and interpretations that have material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 17 “Insurance Contracts”	January 1, 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

A. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

- (a) Amendments to IFRS 1
The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.
- (b) Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.
- (c) Amendments to Guidance on implementing IFRS 7
The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.
- (d) Amendments to IFRS 9
The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.
- (e) Amendments to IFRS 10
The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.
- (f) Amendments to IAS 7
The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2026, and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the Financial Services Commission announced in a press release that Taiwan will adopt IFRS 18 in fiscal year 2028. Companies that wish to early adopt may do so upon obtaining approval from the Financial Services Commission.

- A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- (a) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- (b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- (c) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under B, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRSs, IASs, IFRICs and SIC which are endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)	
			December 31, 2025	December 31, 2024
The Company	Sharphope Company Ltd.	Investment holding	100%	100%
The Company	Vision International Co., Ltd. (Note 6)	Manufacture and sale of golf club heads	76.1%	62.31%
The Company	Gainsmart Group Ltd. (Note 2)	Investment holding	100%	100%
The Company	World Gate Holdings Ltd.	Investment holding	100%	100%
The Company	NFT Technology Co., Ltd.	Manufacture and sale of aerospace precision casting parts	69.74%	69.74%
The Company	Crosspace Co., Ltd.	Selling pure titanium tableware and kitchenware	100%	100%
The Company	Minson Integration, Inc. (Note 1)	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	65.3%	65.3%
The Company	Proxene Tools Co., Ltd. (Note 4)	Manufacture and sale of hand tools, pneumatic tools, and their related parts	51%	-%
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	International trade	100%	100%
Sharphope Company Ltd.	Vision International Co., Ltd. (Note 6)	Manufacture and sale of golf club heads	23.9%	37.69%
Sharphope Company Ltd.	Diamond Sports Equipment Co., Ltd. (Note 5)	International import and export trade of various products.	40%	-%
Gainsmart Group Ltd.	FS-North America, Inc. (Note 2)	Investment holding	100%	100%
FS-North America, Inc.	FS-Precision Tech Co., LLC. (Note 2)	Manufacture and sale of automotive parts and aerospace parts	-%	100%
World Gate Holdings Ltd.	Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	100%	100%
World Gate Holdings Ltd.	Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	100%	100%
World Gate Holdings Ltd.	Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing hardware, plastics and printing of packaging	52.5%	52.5%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)	
			December 31, 2025	December 31, 2024
Zhong Shan Aubo Precision Technology Co., Ltd.	Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Viet Nam) Precision Technology Company Limited	Manufacture precision hardware products, plastic products	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo Precision (Hong Kong) Co., Limited	International trade	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Chongqing) Optoelectronics Co., Ltd. (Note 8)	Optical and electronic related parts, instruments and optical glass	100%	100%
Zhong Shan Worldmark Sporting Goods Ltd.	Zhong Shan Dingxing Vacuum Technology Co., Ltd.	Researching and development and manufacturing of vacuum technology products, vacuum coating processing and manufacturing and sales of sports equipment, hardware products, machinery and equipment, kitchenware and sanitary ware, etc.	100%	100%
Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Industry (SZ) Co., Ltd. (Note 3)	Research and development and production of hardware machinery products, and sales of automotive-related parts	77.51%	77.51%
Alloy Seiko Industry (SZ) Co., Ltd.	Alloy Seiko Technology (Jiangsu) Co., Ltd. (Note 3)	Manufacture and sale of automotive parts and related metal hardware products	100%	100%
Minson Integration, Inc.	Menxon Enterprises (Thailand) Company Limited	Manufacture and sale of ice hockey shoes	100%	100%
Minson Integration, Inc.	Minone Enterprises Company Limited	Manufacture and sale of sports protective gear	100%	100%
Minson Integration, Inc.	Minson Enterprises (Thailand) Company Limited	Manufacture and sale of motocross boots	100%	100%
Minson Integration, Inc.	Mintech Enterprises Company Limited	Manufacture and sale of plastic injection parts and sports helmets	100%	100%
Mintech Enterprises Company Limited	Menxon Enterprises (Thailand) Company Limited (Note 7)	Manufacture and sale of ice hockey shoes	0%	0%
Mintech Enterprises Company Limited	Minone Enterprises Company Limited (Note 7)	Manufacture and sale of sports protective gear	0%	0%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)	
			December 31, 2025	December 31, 2024
Mintech Enterprises Company Limited	Minson Enterprises (Thailand) Company Limited (Note 7)	Manufacture and sale of motocross boots	0%	0%
Minson Enterprises (Thailand) Company Limited	Mintech Enterprises Company Limited (Note 7)	Manufacture and sale of plastic injection parts and sports helmets	0%	0%
Proxene Tools Co., Ltd.	Ducrown Industrial Co., Ltd. (Note 4)	International trade of metal hand tools	100%	0%
Proxene Tools Co., Ltd.	Fulco Co., Ltd. (Note 4)	Manufacture and sale of hand tools and their related parts	100%	0%

(Note 1) To comply with the public float threshold required for Minson Integration, Inc. (“Minson Integration”) to apply for listing on the emerging market, in the year 2024, the Company's board of directors approved the share release plan of Minson Integration. The Company sold a total of 4,593 thousand shares at NTD120 per share. After the completion of the share release process, the Company's shareholding in Minson Integration was decreased to 65.30%. Since the Company still maintains control over Minson Integration, the difference of NTD195,037 thousand between the equity and carrying amount of subsidiaries disposed will be recorded under capital surplus in accordance with the accounting standards. Additionally, the changes in the percentage of equity held by Minson Integration in each financial statement period was due to the change caused by exercising the employee stock options issued by Minson Integration in each period. Refer to Note 6(18) for the relevant share-based payment plan.

(Note 2) In response to the Group's long-term development plan and improve the business structure and performance, the Company approved the liquidation of FS-Precision Tech Co., LLC., a subsidiary of Gainsmart Group Ltd., by a board meeting resolution held on January 26, 2024, and planned to suspend production and enter the liquidation and dissolution procedures in the fourth quarter of 2024. The subsidiary has prepared its financial statements on a liquidation value basis from December 31, 2023. In order to comply with local regulations in the United States, it is proposed to settle the receivables and payables arising from the operations of FS-Precision Tech Co., LLC. and its subsidiary businesses to facilitate the subsequent liquidation and dissolution process. The Company, by a board resolution on June 18, 2025, has increased the capital of its subsidiary Gainsmart Group Ltd. by USD7,600 thousand and has transferred capital to its subsidiary FS-North America, Inc. and its subsidiary FS-Precision Tech Co., LLC. As of the date of this financial report, the aforementioned capital increase has been paid and the registration of the change has been completed. In addition, the Group obtained approval for dissolution registration from the relevant state authority in the United States on December 26, 2025. As of December 31, 2025, the liquidation procedures remain in progress.

- (Note 3) In order to develop new businesses, the Company obtained a subsidiary, Alloy Seiko Industry (SZ) Co., Ltd., and its subsidiary, Alloy Seiko Technology (Jiangsu) Co., Ltd., through another subsidiary, Zhong Shan Worldmark Sporting Goods Ltd., upon resolution approved at the board meeting held on July 5, 2024. During the third quarter of 2024, the group remitted share payments to acquire 77.51% stock in Alloy Seiko Industry (SZ) Co., Ltd., and from that quarter onwards, it has been included in the consolidated financial statements. For information related to the business combination, please refer to Note 6(27).
- (Note 4) For strategic investment purposes, the Company, by a board resolution made on March 11, 2025, approved acquisition proposal of shares in Proxene Tools Co., Ltd. and its subsidiaries, Ducrown Industrial Co., Ltd. and Fulco Co., Ltd. The record date of this acquisition was April 9, 2025. The Group remitted the share payments during the first quarter of 2025 and completed the equity transfer in the second quarter of the same year, thereby acquiring a 51% stock in Proxene Tools Co., Ltd. Commencing from the second quarter of 2025, Proxene Tools Co., Ltd. has been included in the consolidated financial statements. For information related to the business combination, please refer to Note 6(27).
- (Note 5) To develop new businesses, the Company, by a board resolution made on July 5, 2024, approved Sharpope Company Ltd. to invest in Thailand to establish Diamond Sports Equipment Co., Ltd. Sharpope Company Ltd. subscribed to a capital contribution of THB400 thousand on June 25, 2025. As of the date of this financial report, the registered capital is THB1,000 thousand, with a shareholding ratio of 40%. Although the Group holds less than 50% of the voting rights, the Group is able to direct the relevant activities of the investee. Accordingly, the Group has included the company in the consolidated financial statements beginning in the second quarter of 2025.
- (Note 6) To meet the operational turnover needs of its subsidiary, Vision International Co., Ltd. (hereinafter referred to as "Vision"), the Company, by a board resolution made on May 8, 2025, approved a direct capital increase in the amount of USD15,000 thousand to Vision. After the capital increase, Vision's registered capital will be USD41,000 thousand, with the Company and its subsidiary Sharpope Company Ltd. holding 76.1% and 23.9% shares of Vision, respectively. As of the date of this financial report, the Company has paid the USD15,000 thousand capital increase to Vision, and the registration of the change has been completed.
- (Note 7) To adjust the investment structure in line with the Group's long-term development plan, during the fourth quarter of 2023, Minson Enterprises (Thailand) Company Limited acquired 2 shares from the original Thai individual shareholders of Mintech Enterprises Company Limited, and Mintech Enterprises Company Limited acquired 2 shares each from the original Thai individual shareholders of Minson Enterprises (Thailand) Company Limited, Menxon Enterprises (Thailand) Company Limited, and Minone Enterprises Company Limited.

(Note 8) To strengthen its operating capital, Zhong Shan Aubo Precision Technology Co., Ltd. obtained approval from the Company's Board of Directors on August 14, 2025, to increase the capital of its subsidiary, Aubo (Chongqing) Optoelectronics Co., Ltd. by RMB 11,400 thousand. As of the date of this financial report, the capital injection has been fully paid and the related registration amendments have been completed.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. As of the end of the reporting period, the right to defer the settlement of the liability for at least twelve months after the reporting period does not exist.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories, net

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost on a weighted average cost basis.

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3~35 years
Machinery and equipment	3~11 years
Other equipment	2~30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	20 years
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Relationship of customer

The cost of customer relationship incurs as a result of merger and acquisition and is amortized on a straight-line basis over the estimated useful life of 10 to 18 years.

Technology and Know-how

The cost of technology and know-how incurs as a result of merger and acquisition and is amortized on a straight-line basis over the estimated useful life of 7 to 10 years.

Goodwill

Goodwill arising from business combinations is not amortized, and is tested for impairment annually or more frequently if events or change in circumstances suggest that the carrying amount may not be recoverable. If an event occurs or circumstances change which indicates that the goodwill is impaired, an impairment loss is recognized. Goodwill impairment losses cannot be reversed once recognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 15 years).

A summary of the policies information applied to the Group's intangible assets is as follows:

	Relationship of customer	Technology and Know-how	Goodwill	Computer software
Useful lives	Finite	Finite	Indefinite	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	No amortization	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Other provision

According to management's judgement and other known reasons, the expected employee occupational injury expenses were recognized as miscellaneous expenses and estimated related provisions.

(17) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employee is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Group are (1) golf equipment; (2) footwear, helmets, and protective gear for sports such as ice hockey, motocross, baseball, and skiing; (3) sales of hand tools, pneumatic tools, and related products and parts.

For some of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

The sales revenue of certain products of the Group is recognized at the contract price less estimated sales discounts. The sales discounts granted to customers are typically calculated based on the cumulative sales volume over a 12-month period. The Group estimates sales discounts based on historical experience, and recognizes revenue only based on the portion that is highly unlikely to result in a significant reversal in the future, with estimates updated on each balance sheet date. The payment terms for sales transactions are usually due 14 to 120 days after the shipment date. Since the time interval between the transfer of promised goods or services to customers and customer payments does not exceed one year, the group has not adjusted the transaction price to reflect the time value of money.

Rendering of services

The Group provides technology services. These services recognize revenue based on the content of the relevant agreement. Most of the contractual considerations of the Group are collected evenly throughout the contract period.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to “International Tax Reform—Pillar Two Model Rules (amendments to IAS 12), temporary exceptions are granted. Therefore, the deferred tax assets and liabilities related to Pillar Two income tax shall not be recognized.

(22) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

If the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not been completed by the Group, they are recognized at provisional amounts as of the balance sheet date, and retrospective adjustments or recognition of additional assets or liabilities will be made during the measurement period (within one year from the acquisition date) to reflect new information about facts and circumstances that existed as of the acquisition date.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and change of the future salary etc. A detailed explanation of the assumptions used to measure the defined benefit costs and defined benefit obligations is provided in Note 6.

(2) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

(3) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(4) Accounts receivables—estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(5) Inventories, net

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(6) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(7) Impairment of non-financial assets — goodwill

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash on hand	\$3,068	\$2,434
Checking and savings accounts	7,149,574	6,331,103
Time deposits (Note)	684,762	1,064,037
Total	<u>\$7,837,404</u>	<u>\$7,397,574</u>

Note: The contract will expire within 3 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(2) Financial assets at fair value through profit or loss

	As of December 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss:		
Preferred stocks	\$172,752	\$170,870
Unlisted stocks	1,400	1,400
Private-placement Fund	112,485	61,417
Convertible bond redemption	1,380	-
Total	<u>\$288,017</u>	<u>\$233,687</u>
Current	\$172,782	\$170,870
Non-current	<u>115,235</u>	<u>62,817</u>
Total	<u>\$288,017</u>	<u>\$233,687</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets measured at amortized cost

	As of December 31,	
	2025	2024
Time deposits	\$180,007	\$19,533
Less: loss allowance	-	-
Total	<u>\$180,007</u>	<u>\$19,533</u>
Current	\$179,370	\$15,000
Non-current	<u>637</u>	<u>4,533</u>
Total	<u>\$180,007</u>	<u>\$19,533</u>

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 6(20) for more details on loss allowance and Note 8 for more details on financial assets measured at amortized cost under pledge. Please refer to Note 12 for more details on credit risk.

(4) Notes receivables, net

	As of December 31,	
	2025	2024
Notes receivables arising from operating activities (total carrying amount)	\$11,194	\$16,515
Less: loss allowance	-	-
Total	<u>\$11,194</u>	<u>\$16,515</u>

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable, net

	As of December 31,	
	2025	2024
Accounts receivable (total carrying amount)	\$5,997,327	\$5,369,550
Less: loss allowance	(18,320)	(8,890)
Subtotal	5,979,007	5,360,660
Accounts receivable — related parties (total carrying amount)	3,261	501
Less: loss allowance	-	-
Subtotal	3,261	501
Total	<u>\$5,982,268</u>	<u>\$5,361,161</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 14-120 day terms. The total carrying amount as of December 31, 2025 and 2024 were \$6,011,782 thousand and \$5,386,566 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(6) Inventories, net

	As of December 31,	
	2025	2024
Raw materials	\$1,341,231	\$1,098,585
Work in progress	1,428,752	1,060,634
Finished goods	971,633	990,654
Goods	22,220	26,738
Inventories in transit	808,911	900,429
Total	<u>\$4,572,747</u>	<u>\$4,077,040</u>

For the years ended December 31, 2025 and 2024, the Group recognized \$22,209,423 thousand and \$20,806,315 thousand, respectively, in operating cost, and recognized the write-downs (reversals) of inventories(including scrap losses and gains or losses from physical inventory counts) in the amount of \$38,541 thousand and \$(51,869) thousand, respectively. The reversal is due to disposal of slow-moving inventories.

No inventories were pledged.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment awaiting examination	Total
Cost:						
As of January 1, 2025	\$1,459,849	\$3,134,846	\$5,620,279	\$878,516	\$264,502	\$11,357,992
Additions	-	4,649	308,651	50,384	460,505	824,189
Acquisitions through business combinations	635,586	712,143	300,539	101,623	-	1,749,891
Disposals	-	(944)	(189,278)	(68,082)	(5,621)	(263,925)
Transfers	-	(19,469)	294,847	27,133	(392,804)	(90,293)
Exchange differences	7,752	698	(106,434)	(4,773)	(17,605)	(120,362)
As of December 31, 2025	<u>\$2,103,187</u>	<u>\$3,831,923</u>	<u>\$6,228,604</u>	<u>\$984,801</u>	<u>\$308,977</u>	<u>\$13,457,492</u>
As of January 1, 2024	\$1,448,379	\$2,393,753	\$4,991,647	\$866,424	\$213,804	\$9,914,007
Additions	-	13,897	331,949	72,807	711,387	1,130,040
Disposals	-	(92)	(519,556)	(138,742)	(2,498)	(660,888)
Acquisitions through business combinations	-	267,799	370,074	25,441	-	663,314
Transfers	-	377,898	315,409	41,589	(663,893)	71,003
Exchange differences	11,470	81,591	130,756	10,996	5,702	240,516
As of December 31, 2024	<u>\$1,459,849</u>	<u>\$3,134,846</u>	<u>\$5,620,279</u>	<u>\$878,516</u>	<u>\$264,502</u>	<u>\$11,357,992</u>
Depreciation and impairment:						
As of January 1, 2025	\$-	\$1,585,889	\$3,382,283	\$586,942	\$-	\$5,555,114
Depreciation	-	120,277	593,256	107,829	-	821,362
Acquisitions through business combinations	-	83,885	148,505	45,742	-	278,132
Disposals	-	(897)	(138,520)	(63,374)	-	(202,791)
Transfers	-	(48,272)	(5,595)	-	-	(53,867)
Exchange differences	-	3,333	(40,218)	(305)	-	(37,190)
As of December 31, 2025	<u>\$-</u>	<u>\$1,744,215</u>	<u>\$3,939,711</u>	<u>\$676,834</u>	<u>\$-</u>	<u>\$6,360,760</u>
As of January 1, 2024	\$-	\$1,319,568	\$2,963,746	\$582,847	\$-	\$4,866,161
Depreciation	-	86,225	562,905	112,608	-	761,738
Disposals	-	(92)	(424,485)	(141,210)	-	(565,787)
Acquisitions through business combinations	-	44,468	204,418	16,422	-	265,308
Transfers	-	85,259	(4,448)	4,448	-	85,259
Exchange differences	-	50,461	80,147	11,827	-	142,435
As of December 31, 2024	<u>\$-</u>	<u>\$1,585,889</u>	<u>\$3,382,283</u>	<u>\$586,942</u>	<u>\$-</u>	<u>\$5,555,114</u>
Net carrying amount as of:						
December 31, 2025	<u>\$2,103,187</u>	<u>\$2,087,708</u>	<u>\$2,288,893</u>	<u>\$307,967</u>	<u>\$308,977</u>	<u>\$7,096,732</u>
December 31, 2024	<u>\$1,459,849</u>	<u>\$1,548,957</u>	<u>\$2,237,996</u>	<u>\$291,574</u>	<u>\$264,502</u>	<u>\$5,802,878</u>

Components of building that have different useful lives are main building structure, fire protection engineering, air conditioning units and elevators, which are depreciated respectively.

There were no capitalized borrowing costs of construction in progress for the years ended December 31, 2025 and 2024.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(8) Intangible assets

	Relationship of customer	Technology and Know-how	Goodwill	Computer software	Total
Cost:					
As of January 1, 2025	\$243,210	\$201,410	\$760,427	\$113,830	\$1,318,877
Additions	-	-	-	8,872	8,872
Disposals	-	-	-	(2,376)	(2,376)
Transfers	-	-	-	4,614	4,614
Acquisitions through business combinations	190,783	137,999	378,084	7,211	714,077
Exchange differences	416	247	330	(1,418)	(425)
As of December 31, 2025	<u>\$434,409</u>	<u>\$339,656</u>	<u>\$1,138,841</u>	<u>\$130,733</u>	<u>\$2,043,639</u>
As of January 1, 2024	\$136,000	\$103,000	\$500,078	\$85,473	\$824,551
Additions	-	-	-	3,790	3,790
Disposals	-	-	-	(187)	(187)
Transfers	-	-	-	14,860	14,860
Acquisitions through business combinations	108,240	99,220	262,047	16,105	485,612
Exchange differences	(1,030)	(810)	(1,698)	(6,211)	(9,749)
As of December 31, 2024	<u>\$243,210</u>	<u>\$201,410</u>	<u>\$760,427</u>	<u>\$113,830</u>	<u>\$1,318,877</u>
Amortization and impairment:					
As of January 1, 2025	\$74,275	\$69,924	\$-	\$75,133	\$219,332
Amortization	30,234	36,004	-	17,672	83,910
Disposals	-	-	-	(2,376)	(2,376)
Acquisitions through business combinations	-	-	-	6,575	6,575
Exchange differences	405	370	-	(675)	100
As of December 31, 2025	<u>\$104,914</u>	<u>\$106,298</u>	<u>\$-</u>	<u>\$96,329</u>	<u>\$307,541</u>

	Relationship of customer	Technology and Know-how	Goodwill	Computer software	Total
As of January 1, 2024	\$55,300	\$51,929	\$-	\$64,986	\$172,215
Amortization	18,953	17,978	-	11,024	47,955
Disposals	-	-	-	(187)	(187)
Acquisitions through business combinations	-	-	-	5,665	5,665
Exchange differences	22	17	-	(6,355)	(6,316)
As of December 31, 2024	<u>\$74,275</u>	<u>\$69,924</u>	<u>\$-</u>	<u>\$75,133</u>	<u>\$219,332</u>
Net carrying amount as of:					
December 31, 2025	<u>\$329,495</u>	<u>\$233,358</u>	<u>\$1,138,841</u>	<u>\$34,404</u>	<u>\$1,736,098</u>
December 31, 2024	<u>\$168,935</u>	<u>\$131,486</u>	<u>\$760,427</u>	<u>\$38,697</u>	<u>\$1,099,545</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2025	2024
Operating costs	\$1,529	\$735
Operating expenses		
Selling expenses	119	476
Administrative expenses	80,089	45,615
Research and development expenses	2,173	1,129
Subtotal	82,381	47,220
Total	<u>\$83,910</u>	<u>\$47,955</u>

- (9) Goodwill is expected to result from the comprehensive effect of the acquisition.

For impairment testing, allocated carrying amount of goodwill acquired from business combination to each of the cash-generating units:

	For the years ended December 31,	
	2025	2024
Sports Equipment Business Unit	\$392,496	\$392,496
Aerospace Business Unit	102,923	102,923
Automotive Components Business Unit	260,560(Note)	260,498(Note)
Hand Tool Parts Business Unit	378,084	-
Others Cash-Generating Unit	4,778(Note)	4,510(Note)
Total	<u>\$1,138,841</u>	<u>\$760,427</u>

Note: Foreign currency were exchanged by exchange rate as at balance sheet date.

Sports Equipment Business Unit

The recoverable amount of the sports equipment business cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial forecasts by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections is 10.09% and cash flows beyond the five-year period are extrapolated using a 0% growth rate. As a result of this analysis, management has considered that there was no impairment loss against goodwill previously carried.

Aerospace Business Unit

The recoverable amount of the aerospace business cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial forecasts by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections is 8.18% and cash flows beyond the five-year period are extrapolated using a 0% growth rate. As a result of this analysis, management has considered that there was no impairment loss against goodwill previously carried.

Automotive Components Business Unit

The recoverable amount of the automotive components business cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial forecasts by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections is 10.27% and cash flows beyond the five-year period are extrapolated using a 0% growth rate. As a result of this analysis, management has considered that there was no impairment loss against goodwill previously carried.

Hand Tool Parts Business Unit

The recoverable amount of the hand tool parts cash-generating unit has been determined based on fair value less costs of disposal, with fair value assessed using the market approach. As a result of this analysis, management has considered that there was no impairment loss against goodwill previously carried.

Other Cash-Generating Unit

The recoverable amount of the other business cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial forecasts by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections is 10.13% and cash flows beyond the five-year period are extrapolated using a 0% growth rate. As a result of this analysis, management has considered that there was no impairment loss against goodwill previously carried.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for both electronics and fire prevention equipment units are most sensitive to the following assumptions:

- (1) Gross margin
- (2) Discount rates and
- (3) Market share during the budget period; and
- (4) Growth rate used to extrapolate cash flows beyond the budget period.

Gross margins – Gross margins are based on average values achieved in the previous years by the cash generating unit and the same trade's gross margin standard. The gross margin applied to the cash-generating unit is between 24.36% to 30.06% and it's approximately equivalent to average of the same trade.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on publicly available market information.

Market share assumptions – These assumptions are important because, as well as using industry data for estimating growth rates management would assess how the change in the unit's position, relative to its competitors, might take place over the budget period. Management expects the cash-generating unit will show corresponding growth rate for introducing new products and expanding markets

Growth rate estimates – Rates are based on published industry research. In view of the factors mentioned above, management extrapolated long-term growth rate of cash-generating unit in a moderate way.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the fire prevention equipment unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(10) Short-term borrowings

	Interest Rates (%)	As of December 31,	
		2025	2024
Secured bank loans	1.16% ~ 2.90%	\$1,315,892	\$319,427
Unsecured bank loans	0.39% ~ 5.05%	603,975	868,668
Total		<u>\$1,919,867</u>	<u>\$1,188,095</u>

(1) The Group's unused short-term lines of credits amounted to \$13,140,730 thousand and \$13,189,668 thousand, as of December 31, 2025 and 2024, respectively.

(2) Please refer to Note 8 for more details on assets pledged as security for short-term borrowings.

(11) Other payables

	As of December 31,	
	2025	2024
Salaries payable	\$1,086,056	\$1,021,443
Accrued expenses	617,184	624,432
Dividend payable	-	272,861
Share capital payable	-	192,026
Bonuses payable	98,532	103,015
Equipment payables	53,540	32,945
Other payable—other (Note)	185,504	225,209
Other payable—related parties	246	1,619
Total	<u>\$2,041,062</u>	<u>\$2,473,550</u>

Note: Individual items amount not exceeded \$50,000 thousand were aggregated as others.

(12) Bonds payable

Domestic convertible bonds payable

	As of December 31,	
	2025	2024
Liability component:		
Principal amount	\$1,650,000	\$354,300
Discounts on bonds payable	(106,564)	(1,517)
Subtotal	1,543,436	352,783
Less: current portion	-	(352,783)
Net	<u>\$1,543,436</u>	<u>\$-</u>
Embedded derivative (Recognized in "Financial assets at fair value through profit or loss - non-current")	<u>\$1,380</u>	<u>\$-</u>
Equity component (Recognized in "Equity - Capital surplus")	<u>\$220,399</u>	<u>\$56,392</u>

- (1) On April 11, 2022, the Company issued the first zero-coupon unsecured convertible bonds. The actual fund raised amounted to a total of \$1,680,102 thousand. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NTD1,500,000 thousand with issue price at par value of \$100 thousand per bond.

Coupon rate: 0%

Period: April 11, 2022 ~ April 11, 2025

Important redemption clauses:

- A. The Company may redeem the bonds at par value, in whole or in part, after 3 months of the issuance and prior to 40th day before maturity date, if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for 30 consecutive trading days is at least 130% of the conversion price.
- B. The Company may redeem the bonds, in whole, at the early redemption conversion price if the amount of the company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the issuance and prior to 40th day before maturity date.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company.
- B. Exchange Period: The bonds are exchangeable at any time on or after July 12, 2022 and prior to April 11, 2025 into common shares of the Company.
- C. Exchange Price and Adjustment: The exchange price was set at NTD210 per share when the shares were issued. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The first unsecured convertible bonds matured on April 11, 2025. Upon maturity, bonds in the amount of \$17,200 thousand were repaid and were cancelled in accordance with the conversion terms, with no further issuance. In addition, capital surplus – stock options of \$2,737 thousand was reclassified to capital surplus – expired stock options.

The bonds already exchanged amounted to \$1,482,800 thousand and \$1,145,700 thousand, as of December 31, 2025 and 2024, respectively.

- (2) On December 26, 2025, the Company issued the second zero-coupon unsecured convertible bonds. The actual fund raised amounted to a total of \$1,629,874 thousand. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NTD1,500,000 thousand with issue price at par value of \$100 thousand per bond.

Coupon rate: 0%

Period: December 26, 2025 ~ December 26, 2028

Important redemption clauses:

- A. The Company may redeem the bonds at par value, in whole or in part, after 3 months of the issuance and prior to 40th day before maturity date, if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for 30 consecutive trading days is at least 130% of the conversion price.
- B. The Company may redeem the bonds, in whole, at the early redemption conversion price if the amount of the company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the issuance and prior to 40th day before maturity date.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company.
- B. Exchange Period: The bonds are exchangeable at any time on or after March 27, 2026 and prior to December 26, 2028 into common shares of the Company.
- C. Exchange Price and Adjustment: The exchange price was set at NTD270 per share when the shares were issued. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

As of December 31, 2025, no conversions of the above bonds have been made.

- (3) On December 26, 2025, Proxene Company issued the first zero-coupon unsecured convertible bonds. The actual fund raised amounted to a total of \$ 155,395 thousand. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NTD150,000 thousand with issue price at par value of \$100 thousand per bond.

Coupon rate: 0%

Period: December 26, 2025 ~ December 26, 2028

Important redemption clauses:

- A. The Company may redeem the bonds at par value, in whole or in part, after 3 months of the issuance and prior to 40th day before maturity date, if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for 30 consecutive trading days is at least 130% of the conversion price.
- B. The Company may redeem the bonds, in whole, at the early redemption conversion price if the amount of the company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the issuance and prior to 40th day before maturity date.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company.
- B. Exchange Period: The bonds are exchangeable at any time on or after March 27, 2026 and prior to December 26, 2028 into common shares of the Company.
- C. Exchange Price and Adjustment: The exchange price was set at NTD130 per share when the shares were issued. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

As of December 31, 2025, no conversions of the above bonds have been made.

(13) Long-term borrowings

(1) Details of long-term borrowings are as follows:

Lenders	As of December 31, 2025	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$49,479	2.26%	The terms of repayment are from December 14, 2023 to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly, from March 14, 2024.
E.SUN Bank — Secured bank loan	101,952	0.6%	From January 26, 2021, to December 15, 2029, interest is paid monthly.
E.SUN Bank — Unsecured bank loan	615	0.6%	From August 24, 2021, to December 15, 2026, interest is paid monthly.
Subtotal	152,046		
Less: current portion	(66,258)		
Total	\$85,788		

Lenders	As of December 31, 2024	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$32,640	1.98%	The terms of repayment are from December 14, 2023 to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly, from March 14, 2024.
Subtotal	32,640		
Less: current portion	(8,160)		
Total	<u>\$24,480</u>		

(2) Please refer to Note 8 for more details on assets pledged as security for Long-term borrowings.

(14) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were \$327,675 thousand and \$271,795 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute \$8,099 thousand to its defined benefit plan during the 12 months beginning after December 31, 2025.

As of December 31, 2025 and 2024, respectively, the durations of the defined benefits plan obligation of the subsidiaries under the Group were different. The longest expected maturity year are projected to 2049 and 2039.

Pension costs recognized in profit or loss for the years ended December 31, 2025 and 2024:

	For the years ended December 31,	
	2025	2024
Current period service costs	\$7,016	\$5,747
Interest income or expense	1,646	1,635
Prior period service costs	4,259	-
Total	<u>\$12,921</u>	<u>\$7,382</u>

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2025	December 31, 2024	January 1, 2024
Defined benefit obligation	\$88,006	\$86,796	\$60,677
Plan assets at fair value	-	-	-
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	<u>\$88,006</u>	<u>\$86,796</u>	<u>\$60,677</u>

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2024	\$60,677	\$-	\$60,677
Current period service costs	5,747	-	5,747
Net interest expense (income)	1,635	-	1,635
Subtotal	68,059	-	68,059
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	1,901	-	1,901
Experience adjustments	15,986	-	15,986
Subtotal	17,887	-	17,887
Payments from the plan	(4,383)	4,383	-
Contributions by employer	-	(4,383)	(4,383)
Exchange differences	5,233	-	5,233
As of December 31, 2024	\$86,796	\$-	\$86,796
As of January 1, 2025	\$86,796	\$-	\$86,796
Current period service costs	7,016	-	7,016
Net interest expense (income)	1,646	-	1,646
Prior period service costs	4,259	-	4,259
Subtotal	99,717	-	99,717
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	2,804	-	2,804
Experience adjustments	3,735	-	3,735
Subtotal	6,539	-	6,539
Payments from the plan	(21,915)	21,915	-
Contributions by employer	-	(21,915)	(21,915)
Exchange differences	3,665	-	3,665
As of December 31, 2025	\$88,006	\$-	\$88,006

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2025	2024
Discount rate	1.40%~1.94%	2.28%~2.54%
Expected rate of salary increases	2.00%~3.00%	3.00%

A sensitivity analysis for significant assumption as of December 31, 2025 and 2024 is as shown below:

	Effect on the defined benefit obligation			
	2025		2024	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	\$-	\$1,290	\$-	\$1,162
Discount rate decrease by 0.25%	1,366	-	1,234	-
Future salary increase by 0.25%	1,376	-	1,251	-
Future salary decrease by 0.25%	-	1,252	-	1,133

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(15) Provisions

	Decommissioning, restoration and rehabilitation	Other provision	Total
As of January 1, 2025	\$10,391	\$22,032	\$32,423
Utilized	-	(15,865)	(15,865)
Additions	-	10,368	10,368
Discount rate adjustment and unwinding of discount from the passage of time	330	-	330
Exchange differences	-	(154)	(154)
As of December 31, 2025	<u>\$10,721</u>	<u>\$16,381</u>	<u>\$27,102</u>
As of January 1, 2024	\$10,052	\$32,826	\$42,878
Utilized	-	(30,808)	(30,808)
Additions	-	19,022	19,022
Discount rate adjustment and unwinding of discount from the passage of time	339	-	339
Exchange differences	-	992	992
As of December 31, 2024	<u>\$10,391</u>	<u>\$22,032</u>	<u>\$32,423</u>

	Decommissioning, restoration and rehabilitation	Other provision	Total
Current—December 31, 2025	\$-	\$14,664	\$14,664
Non-current—December 31, 2025	10,721	1,717	12,438
As of December 31, 2025	<u>\$10,721</u>	<u>\$16,381</u>	<u>\$27,102</u>
Current—December 31, 2024	\$-	\$22,032	\$22,032
Non-current—December 31, 2024	10,391	-	10,391
As of December 31, 2024	<u>\$10,391</u>	<u>\$22,032</u>	<u>\$32,423</u>

Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with a factory owned by the Group. The Group is committed to restore the site as was when decommissioning the site.

Other provision

According to the management's judgement and other known reasons, the expected employee occupational injury expenses were recognized as miscellaneous expense and estimated related provisions.

Carbon fees

The Company has been conducting carbon inventory since 2022. Based on the historical information and the assessment of greenhouse gas emissions in 2025, the Company is not subject to carbon fee collection under Taiwan's Ministry of Environment. Therefore, as of December 31, 2025, the Company has not yet been required to estimate related liabilities for carbon fees.

(16) Other non-current liabilities, others

	As of December 31,	
	2025	2024
Non-current liabilities - Temporary credits	\$-	\$157,560
Other liabilities, others	21,550	28,291
Total	<u>\$21,550</u>	<u>\$185,851</u>

Other non-current liabilities - Others include long-term deferred income related to assets, which the Group recognizes in profit or loss over time in accordance with accounting policies.

(17) Equities

A. Ordinary share

As of January 1, 2024, the Company's authorized capital was \$3,000,000 thousand, and its issued capital amounted to \$1,325,735 thousand, representing 132,573 thousand shares issued, each with a par value of \$10. All shares are ordinary shares, each carrying one voting right and the right to receive dividends.

The Company issued the first unsecured convertible corporate bonds on April 11, 2022. For the years period ended December 31, 2025 and 2024, 1,978 thousand, and 4,835 thousand shares with a nominal value of \$10 per share were successively requested by bondholders, respectively. As of December 31, 2025, and December 31, 2024, there were 0, and 751 thousand, respectively, for which the change in registration had not yet been completed. The bond conversion entitlement certificates of January 1, 2025 and 2024 were amended in 2025 and 2024 with 2,729 thousand shares and 4,085 thousand shares respectively.

As of April 11, 2025 (maturity date of corporate bonds), the accumulated shares been successively requested by bondholders were 8,357 thousand shares with a nominal value of \$10 per share.

As of December 31, 2025 and 2024, the Company's authorized capital was \$3,000,000 thousand, and its issued capital amounted to \$1,393,870 thousand, and \$1,366,582 thousand, respectively, representing 139,387 thousand, and 136,658 thousand shares issued.. All shares are ordinary shares issued in installments, each carrying one voting right and the right to receive dividends.

B. Capital surplus

	As of December 31,	
	2025	2024
Additional paid-in capital	\$3,203,422	\$2,833,133
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of	270,909	270,909
Share options	220,399	56,392
Changes in ownership interest in subsidiaries	116,340	86,716
Expired share options	2,737	-
Others	451	451
Total	<u>\$3,814,258</u>	<u>\$3,247,601</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses;
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- (d) Set aside or reverse special reserve in accordance with law and regulations; and
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributes distributable earnings, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity, provided that the Company has already set aside special reserve according to the requirements for the adoption of IFRS. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

On first-time adoption of the TIFRS, the Company's special reserve amounted to \$112,383 thousand. The Company did not reverse special reserve to retained earnings for the years ended December 31, 2025 and 2024 as a result of the use, disposal of or reclassification of related assets. Following the Company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders' equity for \$(315,176) thousand and \$160,538 thousand as of December 31, 2025 and 2024, respectively.

Details of the year of 2025 and 2024 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 10 2026 and resolved by the stockholders' meeting on June 19, 2025, respectively, are as follows:

	Appropriation of earnings		Dividend per share (\$)	
	2025	2024	2025	2024
Legal reserve	\$311,712	\$378,389		
Special reserve	94,958	(315,176)		
Common stock -cash dividend	2,230,192	2,738,837	\$16 (Note)	\$19.7

Note: Calculation was based on the number of ordinary shares outstanding as of February 28, 2026, plus 139,387 thousand shares that were applied for conversion. The actual dividend paid to each share will be determined by the number of ordinary shares outstanding on ex-dividend date.

Please refer to Note 6(22) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the years ended December 31,	
	2025	2024
Beginning balance	\$2,023,357	\$1,282,232
Profit (loss) attributable to non-controlling interests	322,967	263,735
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences on translation	9,643	29,721
Remeasurements of defined benefit plans	(2,269)	(6,207)
Significant non-controlling interests due to acquisition	1,074,203	-
Share-based payments	-	6,935
Changes in ownership interests in subsidiaries	544	544,811
Cash dividends	(283,055)	(97,870)
Due to recognition of equity component of convertible bonds issue	12,469	-
Ending balance	<u>\$3,157,859</u>	<u>\$2,023,357</u>

(18) Share-based payment plans

Certain employees of the Group are entitled to share-based payment as part of their remunerations; services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

A. Subsidiary – Minson Integration, Inc. (“Minson Integration”).

In November 2022 and July 2024, Minson Integration was authorized by the Board of Directors to issue employee share options with a total number of 274 thousand and 322 thousand units, respectively. Each unit entitles an optionee to subscribe for one share of Minson Integration’s common shares. Settlement upon the exercise of the options will be made through the issuance of new shares by Minson Integration.

The fair value of the share options is estimated at the grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of the share options granted under this plan is from the month of issuance up to 2 years, and no cash settlement alternatives are provided. Minson Integration does not have a past practice of cash settlement for these share options.

The relevant details of the aforementioned share-based payment plan are as follows:

Type of agreement	Grant date	Total number of share options granted (in thousands)	Contract period	Exercise price per option	Vesting condition
The first employee stock option plan in 2022	December 1, 2022	274	1.98 years	10	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.
The first employee stock option plan in 2024	July 22, 2024	322	0.04 years	65	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.

The share-based payment agreement mentioned above was accounted for equity-based settlement.

For the years ended December 31, 2025 and 2024, the following table contains further details on the aforementioned share-based payment plan:

	For the years ended December 31,			
	2025		2024	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NTD)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NTD)
Outstanding at beginning of period	-	\$-	274	\$10
Granted	-	-	322	65
Forfeited	-	-	(26)	10
Exercised	-	-	(570)	41
Outstanding at end of period	-	\$-	-	\$-
Exercisable at end of period	-	\$-	-	\$-
Weighted average fair value of share options granted during the period (\$)	\$-		\$45.11	

With respect to the aforementioned share-based payment plan, there were no outstanding stock options as of December 31, 2025 and 2024.

For the share-based payment plan granted in 2024, Minson Integration used the Black-Scholes option pricing model to estimate the fair value of the share options on the grant date. The information on each factor is as follows:

	Grant date July 22, 2024
Expected volatility (%)	32.08
Risk-free interest rate (%)	1.49
Expected option life (Years)	0.04
Weighted average share price (\$)	110.07

B. For the years ended December 31, 2025 and 2024, the Group did not make any cancellations or modifications to the share-based payment plan.

C. The expense recognized for employee services received is shown in the following table:

	For the years ended December 31,	
	2025	2024
Total expense arising from equity-settled share-based payment transactions	\$-	\$20,654

(19) Operating revenue

A. Disaggregation of revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$29,456,644	\$27,833,317
Other revenue	333,112	536,375
Total	\$29,789,756	\$28,369,692

B. The Group recognizes contract revenue which is at a point in time.

C. Contract balances

Current contract liabilities

	As of		
	December 31, 2025	December 31, 2024	January 1, 2024
Sales of goods	\$114,306	\$44,386	\$20,070

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
The opening balance transferred to revenue	\$(43,183)	\$(4,148)
Acquisitions through business combinations	16,855	68,338
Increase in unearned receipted during the period (excluding the amount incurred and transferred to revenue during the period)	96,492	-
Decrease in unearned receipted during the period	-	(38,807)
Effect of changes in foreign exchange rates and others	(244)	(1,067)

(20) Impairment loss (impairment gain and reversal of impairment loss)

- A. The amounts of expected credit losses (reversal gains) recognized by the Group in operating expenses are as follows:

	For the years ended December 31,	
	2025	2024
Operating expenses — Expected credit (losses) gains		
Accounts receivables	<u>\$(8,390)</u>	<u>\$(74,802)</u>

- B. Please refer to Note 12 for more details on credit risk.
- C. The credit risk for the Group's financial assets at amortized cost are assessed as low as of December 31, 2025, and 2024 (the same as the assessment result in the beginning of the period). Since the counterparties of the Group are all financial institutions such as banks with good credit profile, all of them are calculated based on the expected credit loss rate of 0% and the allowance loss amount is \$0 thousand.
- D. The Group measures the loss allowance of its accounts receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2025 and 2024 are as follows:

Considering counterparties credit rating, industry characteristics, the loss allowance of accounts receivable is measured by using a provision matrix. In addition, the provision matrix is expressed aggregately since overdue days interval between each entities in the Group is equivalent. Details for provision matrix are as follows:

As of December 31, 2025

	Not yet due	Overdue			Total
		Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$5,647,741	\$310,480	\$41,420	\$12,141	\$6,011,782
Loss ratio					0.3047%
Lifetime expected credit losses	(359)	(41)	(5,779)	(12,141)	(18,320)
Net carrying amount	<u>\$5,647,382</u>	<u>\$310,439</u>	<u>\$35,641</u>	<u>\$-</u>	<u>\$5,993,462</u>

As of December 31, 2024

	Not yet due	Overdue			Total
		Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$4,957,553	\$414,478	\$11,782	\$2,753	\$5,386,566
Loss ratio					0.1650%
Lifetime expected credit losses	-	(246)	(5,891)	(2,753)	(8,890)
Net carrying amount	<u>\$4,957,553</u>	<u>\$414,232</u>	<u>\$5,891</u>	<u>\$-</u>	<u>\$5,377,676</u>

Note: The Group's note receivables are not overdue.

E. The change of in the provision for impairment of notes receivables and accounts receivable during the years ended December 31, 2025 and 2024 is as follows:

	Notes receivables	Accounts receivable	Total
As of January 1, 2025	\$-	\$8,890	\$8,890
Addition for the current period	-	805	805
Write off	-	8,390	8,390
Exchange differences	-	235	235
As of December 31, 2025	<u>\$-</u>	<u>\$18,320</u>	<u>\$18,320</u>
As of January 1, 2024	\$-	\$23,074	\$23,074
Addition for the current period	-	74,802	74,802
Write off	-	(89,848)	(89,848)
Exchange differences	-	862	862
As of December 31, 2024	<u>\$-</u>	<u>\$8,890</u>	<u>\$8,890</u>

(21) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings. The lease terms range from 1 to 13 years. The Group is not subject to any special restrictions.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2025	2024
Land	\$674,831	\$704,810
Buildings	72,679	62,952
Total	<u>\$747,510</u>	<u>\$767,762</u>

During the years ended December 31, 2025 and 2024, the Group's additions to right-of-use assets amounting to \$55,033 thousand and \$283,338 thousand, respectively.

Please refer to Note 8 for more details on right-of-use assets under pledge.

ii. Lease liabilities

	As of December 31,	
	2025	2024
Lease liabilities	<u>\$362,600</u>	<u>\$362,046</u>
Current	\$60,686	\$39,359
Non-current	<u>301,914</u>	<u>322,687</u>
Total	<u>\$362,600</u>	<u>\$362,046</u>

Please refer to Note 6(23)D for the interest on lease liabilities recognized during the years ended December 31, 2025 and 2024 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2025	2024
Land	\$41,680	\$33,067
Buildings	<u>36,345</u>	<u>54,928</u>
Total	<u>\$78,025</u>	<u>\$87,995</u>

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2025	2024
The expenses relating to leases of low-value assets (Including the expenses relating to short-term leases of low-value assets)	<u>\$11,237</u>	<u>\$16,846</u>

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases amounting to \$61,018 thousand and \$93,368 thousand, respectively.

(e) Other information relating to leasing activities

Some of the Group's agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

The Group's leases of self-own investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments	\$20,068	\$8,725

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Not later than one year	\$5,804	\$-

(22) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$3,855,044	\$1,299,947	\$5,154,991	\$3,775,841	\$1,210,285	\$4,986,126
Labor and health insurance	60,142	44,837	104,979	50,340	40,310	90,650
Pension	275,229	65,367	340,596	223,065	56,112	279,177
Other employee benefits expense	493,362	160,003	653,365	515,628	141,397	657,025
Depreciation	743,791	155,596	899,387	696,021	153,712	849,733
Amortization	1,529	82,381	83,910	735	47,220	47,955

The depreciation expenses for the Group's investment properties for the year ended December 31, 2025 were \$2,562 thousand, and for the year ended December 31, 2024 were \$0 thousand, recorded under other gains and losses.

According to the Articles of Incorporation, if the Company is profitable for the year, no less than 2% of the profit shall be appropriated as employees' compensation, including no less than 0.36% as compensation for the non-managerial employees, and no more than 0.5% of the profit shall be appropriated as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition there to a report of such distribution is submitted to the shareholders' meeting. If the Board of Directors subsequently modifies the estimates significantly, the company will recognize the change as an adjustment in the profit or loss in the subsequent period. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the year ended December 31, 2025, the Company estimated employees' compensation at 2% (including 0.36% estimated for non-managerial employees) and directors' and supervisors' remuneration at 0.04%. Accordingly, employees' compensation of \$77,784 thousand (including \$14,001 thousand for non-managerial employees) and directors' and supervisors' remuneration of \$1,500 thousand, respectively and recognized as salaries expense. At the board meeting held on March 10, 2026, the Company resolved to distribute employees' compensation in the amount of \$77,784 thousand (including \$14,001 thousand for non-managerial employees) and directors' and supervisors' remuneration of \$1,500 thousand in cash. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2025.

A resolution was resolved at a board meeting held on March 11, 2025 to distribute \$93,604 thousand and \$1,500 thousand in cash as employees' compensation and remuneration to directors of 2024, respectively. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

(23) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$155,429	\$185,905
Financing provided to others (Note)	1,502	22,865
Total	<u>\$156,931</u>	<u>\$208,770</u>

Note: Please refer to attachment 1 for financing provided to others.

B. Other income

	For the years ended December 31,	
	2025	2024
Rent income	\$24,043	\$16,801
Dividend income	6,145	6,171
Other income - government grants	10,559	4,753
Other income - others	70,946	85,646
Total	<u>\$111,693</u>	<u>\$113,371</u>

C. Other gains and losses, net

	For the years ended December 31,	
	2025	2024
Gains/(Losses) on disposal of property, plant and equipment	\$2,079	\$(10,704)
Gains/(Losses) on financial assets at fair value through profit or loss (Note)	16,394	3,890
Foreign exchange gains/(losses), net	(277,271)	366,483
Miscellaneous disbursements	(116,468)	(100,175)
Depreciation of investment properties	(2,562)	-
Gains on lease modification	-	120
Total	<u>\$(377,828)</u>	<u>\$259,614</u>

Note: Including balances were arising from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs, net

	For the years ended December 31,	
	2025	2024
Interest on borrowings from bank	\$69,573	\$82,434
Interest on provision for decommissioning	329	339
Interest on lease liabilities	7,879	3,049
Interest on bonds payable	1,396	11,123
Total	<u>\$79,177</u>	<u>\$96,945</u>

(24) Components of other comprehensive income

For the year ended December 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(6,539)	\$-	\$(6,539)	\$-	\$(6,539)
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	(87,097)	-	(87,097)	1,782	(85,315)
Total	<u>\$(93,636)</u>	<u>\$-</u>	<u>\$(93,636)</u>	<u>\$1,782</u>	<u>\$(91,854)</u>

For the year ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(17,887)	\$-	\$(17,887)	\$-	\$(17,887)
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	344,897	-	344,897	-	344,897
Total	<u>\$327,010</u>	<u>\$-</u>	<u>\$327,010</u>	<u>\$-</u>	<u>\$327,010</u>

(25) Income tax

A. The major components of income tax expense are as follows:

Income tax expense (income) recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense:		
Current income tax charge	\$926,884	\$1,081,274
Adjustments in respect of current income tax of prior periods	19,484	4,146
Current tax expense (income) related to Pillar Two legislation (Note)	-	-

	For the years ended December 31,	
	2025	2024
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	54,167	(2,883)
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	(1,142)	803
Total income tax expense	<u>\$999,393</u>	<u>\$1,083,340</u>

Note : The consolidated financial statements of the group included entities located in countries where the Pillar Two rules have been in effect (including Hong Kong, Vietnam and Thailand), whose consolidated revenue reached EUR 750 million (reaching EUR 750 million for any two years within four tested years), therefore the “International Tax Reform- Pillar Two Model Rules (Amendment to IAS 12)” affected these entities. As of the end of this quarter, the Group assessed that the income tax expense of these entities affected by Pillar Two is not material to the Group, and the specific numbers of the effect will be disclosed upon completion of calculation.

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2025	2024
Deferred tax expense (income):		
Remeasurements of defined benefit plans	<u>\$(1,782)</u>	<u>\$-</u>

- B. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2025	2024
Accounting profit before tax from continuing operations	<u>\$4,443,750</u>	<u>\$5,142,744</u>
Tax expense at the statutory rate	1,085,463	\$1,278,684
Tax effect of revenues exempt from taxation	(88,441)	(107,269)
Tax effect of expenses not deductible for tax purposes	4,045	3,821
Tax effect of deferred tax assets/liabilities	(166,637)	(217,688)
Corporate income surtax on undistributed retained earnings	50,844	12,595
Tax effect of statutory rate difference in foreign jurisdiction	136,780	143,493
Adjustments in respect of current income tax of prior periods	19,484	4,146
Impact of other income tax adjustments under tax law	<u>(42,145)</u>	<u>(34,442)</u>
Total income tax expense (income) recognized in profit or loss	<u>\$999,393</u>	<u>\$1,083,340</u>

C. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025

	Beginning balance as of January 1, 2025	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Deferred tax income (expense) recognized in equity	Acquisition through corporate merger	Exchange differences	Ending balance as of December 31, 2025
Temporary differences							
Inventory valuation and obsolescence loss	\$6,185	\$6,560	\$-	\$-	\$2,390	\$(219)	\$14,916
Expected credit loss	601	(522)	-	-	-	-	79
Attendance bonus	1,191	21	-	-	-	(10)	1,202
Unrealized loss/ (gains) on foreign exchange	(6,482)	3,334	-	-	(225)	53	(3,320)
Unrealized intragroup profits and losses	52,875	(7,628)	-	-	2,626	-	47,873
Loss/ (Gain) of valuation of financial assets at fair value through profit or loss	(188)	(7,242)	-	-	1,697	-	(5,733)
Other deductible temporary differences	10,912	2,219	1,782	-	478	(20)	15,371
Adjustment of Fair Values for business combinations	(117,000)	-	-	-	-	(109)	(117,109)
Gains on investments	(13,857)	(49,826)	-	-	(19,979)	-	(83,662)
Other	-	59	-	(1,857)	1,125	-	(673)
Deferred tax (expense)/ income		<u>\$(53,025)</u>	<u>\$1,782</u>	<u>\$(1,857)</u>	<u>\$(11,888)</u>	<u>\$(305)</u>	
Net deferred tax assets/(liabilities)	<u>\$(65,763)</u>						<u>\$(131,056)</u>
Reflected in balance sheet as follows:							
Deferred tax assets	<u>\$75,616</u>						<u>\$85,858</u>
Deferred tax liabilities	<u>\$(141,379)</u>						<u>\$(216,914)</u>

For the year ended December 31, 2024

	Beginning balance as of January 1, 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2024
Temporary differences					
Inventory valuation and obsolescence loss	\$10,098	\$(3,978)	\$-	\$65	\$6,185
Expected credit loss	810	(209)	-	-	601
Attendance bonus	784	405	-	2	1,191
Unrealized loss/ (gains) on foreign exchange	8,172	(14,649)	-	(5)	(6,482)
Unrealized intragroup profits and losses	13,200	39,675	-	-	52,875
Loss/ (Gain) of valuation of financial asset at fair value through profit or loss	701	(889)	-	-	(188)
Other deductible temporary differences	15,325	(4,418)	-	5	10,912
Adjustment of Fair Values for business combinations	(81,484)	-	(38,829)	313	(117,000)
Gains on investments	-	(13,857)	-	-	(13,857)
Deferred tax (expense)/ income		<u>\$2,080</u>	<u>\$(35,829)</u>	<u>\$380</u>	
Net deferred tax assets/(liabilities)	<u>\$(32,394)</u>				<u>\$(65,763)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$49,090</u>				<u>\$75,616</u>
Deferred tax liabilities	<u>\$(81,484)</u>				<u>\$(141,379)</u>

D. Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2025 and 2024, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liabilities have not been recognized, aggregate to \$9,211,331 thousand and \$8,734,863 thousand, respectively.

E. The assessment of income tax returns

As of the reporting date, the assessment of the income tax returns of the Company and its domestic subsidiaries are as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary- NFT Technology Co., Ltd.	Assessed and approved up to 2023
Subsidiary- Crosspace Co., Ltd.	Assessed and approved up to 2023
Subsidiary- Minson Integration, Inc.	Assessed and approved up to 2023
Subsidiary— Proxene Tools Co., Ltd.	Assessed and approved up to 2023
Sub-subsidiary— Ducrown Industrial Co., Ltd.	Assessed and approved up to 2023

As of December 31, 2025, the Company's foreign subsidiaries, which are subject to foreign tax jurisdictions, have all filed their income tax returns in accordance with the applicable regulations.

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable (adjusted for convertible bonds interest) to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	<u>\$3,121,390</u>	<u>\$3,795,669</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>139,070</u>	<u>134,753</u>
Basic earnings per share (NTD)	<u>\$22.45</u>	<u>\$28.17</u>
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$3,121,390	\$3,795,669
Interest expense from convertible bonds (in thousand)	<u>1,072</u>	<u>8,898</u>
Profit attributable to ordinary equity holders of the Company after dilution	<u>\$3,122,462</u>	<u>\$3,804,567</u>

	For the years ended December 31,	
	2025	2024
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	139,070	134,753
Effect of dilution:		
Employee compensation — stock (in thousands)	361	350
Convertible bonds(in thousands)	1,333	4,837
Weighted average number of ordinary shares outstanding after dilution (in thousands)	140,764	139,940
Diluted earnings per share (NTD)	\$22.18	\$27.19

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(27) Business combinations

A. Acquisition of Alloy Seiko Industry (SZ) Co., Ltd. and its subsidiary — Alloy Seiko Technology (Jiangsu) Co., Ltd.

In order to improve operating performance, the Company acquire Alloy Seiko Industry (SZ) Co., Ltd. (hereinafter referred to as "ASIC") and its subsidiary — Alloy Seiko Technology(Jiangsu) Co., Ltd. (collectively referred to as "AS Group") to expand the layout of the automotive components business. Following an agreement between the Group and the shareholders of ASIC, Zhong Shan Worldmark Sporting Goods Ltd.(hereinafter referred to as "Zhongshan Worldmark"), a wholly-owned subsidiary of the Group, participated in the cash capital increase of ASIC and remitted the capital increase funds on August 23, 2024, resulting in the Group holding a 77.51% equity interest in ASIC For details on the related consolidation structure, please refer to Note 4(3).

The Company and its subsidiaries set August 23, 2024, as the acquisition date to acquire AS Group and measured the identifiable assets acquired and liabilities assumed at their fair values as of that date. The consolidated financial statements for the year ended December 31, 2024 issued by the Group on March 11, 2025, were recognized at provisional amounts. The Group completed the independent evaluation and obtained the evaluation report from an independent appraiser in April 2025. The differences between the provisional amounts and the valuation results have been retrospectively adjusted in the consolidated financial statements for the year ended December 31, 2024, as detailed in the explanation below.

The Group elected to measure the non-controlling interest in AS Group at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of AS Group as at the date of acquisition were as follows:

	Fair value recognized on acquisition
<u>Assets</u>	
Cash and cash equivalents	\$710,268
Accounts receivable, net	349,508
Other receivable	241,562
Inventories, net	138,969
Prepayments	69,812
Property, plant, and equipment	398,006
Right-of-use assets	90,552
Intangible assets (including customer relationships, patented technologies, etc.)	217,900
Deferred tax assets	5,059
Other non-current assets, others	5,721
<u>Liabilities</u>	
Short-term loans	(421,096)
Contract liabilities	(68,338)
Accounts payable	(348,888)
Other payables	(642,634)
Deferred tax liabilities	(40,887)
Other current liabilities	(1,754)
Long-term loans	(24,534)
Other non-current liabilities, others	(47,035)
Total identifiable net assets at fair value	<u><u>\$632,191</u></u>

The goodwill for the AS Group is as follows:

	Amount
Cash consideration	\$693,124
Add: non-controlling interests	201,114
Less: identifiable net assets at fair value	(632,191)
Goodwill	<u><u>\$262,047</u></u>

The amount of goodwill in the amount of \$262,047 thousand is expected to result from the synergy of the acquisition.

Cash flows on acquisition:

	Amount
Net cash acquired with the subsidiary	\$710,268
Cash paid	(693,124)
Net cash inflow	<u><u>\$17,144</u></u>

As of the date the financial report was approved, the independent valuation expert has completed the fair value assessment of the identifiable net assets of the AS Group. The result differed from the provisional amounts reported in the consolidated financial statements for the year ended December 31, 2024 and for the period from January 1 to December 31, 2024. Therefore, in accordance with the International Financial Reporting Standards, the Group recognized the provisional goodwill of \$248,630 thousand as of December 31, 2024 and retrospectively adjusted the related financial information. The adjustments are described as follows:

(a) Provisional amount differences:

The consolidated financial statements as of December 31, 2024

	Provisional amounts	Adjustment	The result of valuation
Cash consideration	\$693,124	\$-	\$693,124
Add: non-controlling interests	201,114	-	201,114
Less: identifiable net assets at fair value	(645,608)	13,417	(632,191)
Goodwill	<u>\$248,630</u>	<u>\$13,417</u>	<u>\$262,047</u>

The aforementioned retrospective adjustments to the consolidated financial statements as of December 31, 2024 was made based on new information obtained during the measurement period about facts and circumstances that existed at the acquisition date and that affected the provisional amounts.

(b) The Group's consolidated financial statements for the comparative periods based on retrospective adjustments are as follows:

Balance Sheet	As of December 31, 2024		
	Before retrospective	The amount of retrospective	After retrospective
Assets			
Total current assets	<u>\$17,918,962</u>	<u>\$-</u>	<u>\$17,918,962</u>
Intangible assets	1,101,913	(2,368)	1,099,545
Other non-current assets, others	7,145,019	-	7,145,019
Total non-current assets	<u>8,246,932</u>	<u>(2,368)</u>	<u>8,244,564</u>
Total assets	<u>\$26,165,894</u>	<u>\$(2,368)</u>	<u>\$26,163,526</u>

Balance Sheet	As of December 31, 2024		
	Before retrospective	The amount of retrospective	After retrospective
Liability			
Total current liabilities	\$8,695,164	\$-	\$8,695,164
Deferred tax liabilities	143,747	(2,368)	141,379
Other non-current liabilities, others	630,581	-	630,581
Total non-current liabilities	774,328	(2,368)	771,960
Total liabilities	9,469,492	(2,368)	9,467,124
Total equity	16,696,402	-	16,696,402
Total liabilities and equity	\$26,165,894	\$(2,368)	\$26,163,526

The aforementioned retrospective adjustments to the consolidated financial statements as of December 31, 2024 was made based on new information obtained during the measurement period regarding facts and circumstances that existed at the acquisition date and that affected the provisional amounts. The difference between the provisional amounts and the formal valuation report is not material to the Group's retained earnings. Therefore, the difference in retained earnings will not be adjusted retrospectively but will be recognized in profit or loss for the year 2025.

B. Acquisition of Proxene Tools Co., Ltd. and its subsidiary

The Group acquired Proxene Tools Co., Ltd. (hereinafter referred to as "Proxene") and its subsidiaries (collectively referred to as "Proxene Group") for strategic investment purposes. The Group obtained 51% of the common stock equity through a public tender offer, with the payment made to the public tender account on March 11, 2025, and the consideration payment and equity transfer were completed on April 9, 2025, resulting in the Group holding 51% of the shareholders' equity in Proxene. Refer to Note 4(3) for the relevant consolidation structure.

The Group elected to measure the non-controlling interest in Proxene Group at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair value of the identifiable assets and liabilities of Proxene Group as at the date of acquisition were:

	Fair value recognized on acquisition
Assets	
Cash and cash equivalents	\$298,837
Financial assets at fair value through profit or loss	182,960
Financial assets at amortized cost	55,664
Accounts receivable, net	140,258
Other receivable	40,945
Inventories, net	282,168
Prepayments	5,960
Property, plant, and equipment	1,471,759
Right-of-use assets	28,403
Intangible assets	329,418
Other non-current assets, others	12,057
Liabilities	
Short-term loans	(246,147)
Financial liabilities at fair value through profit or loss	(15,279)
Contract liabilities	(16,855)
Accounts payable	(19,369)
Other payables	(101,525)
Current tax liabilities	(32,760)
Other current liabilities, others	(14,689)
Lease liabilities	(7,749)
Long-term loans	(183,190)
Deferred tax liabilities	(20,755)
Other non-current liabilities, others	(12,697)
Total identifiable net assets at fair value	\$2,177,414

The goodwill for the Proxene Group is as follows:

	Amount
Cash consideration	\$1,481,295
Add: non-controlling interests	1,074,203
Less: identifiable net assets at fair value	(2,177,414)
Goodwill	\$378,084

The amount of goodwill in the amount of \$378,084 thousand is expected to result from the synergy of the acquisition.

Cash flows on acquisition:

	Amount
Net cash acquired with the subsidiary	\$298,837
Cash paid	(1,481,295)
Net cash inflow	<u><u>\$(1,182,458)</u></u>

As of December 31, 2025, the cash consideration paid by the Group was based on the equity purchase agreement, with the Company paying \$1,481,295 thousand in cash to acquire equity in Proxene.

(28) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests was provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of December 31,	
		2025	2024
Zhong Shan Aubo Precision Technology Co., Ltd.	China	47.50%	47.50%
Minson Integration, Inc.	Taiwan	34.70%	34.70%
Proxene Tools Co., Ltd.	Taiwan	49.00%	-%

Note: It was consolidated into the consolidated financial statements in the second quarter of 2025.

A. Accumulated balances of material non-controlling interest:

	As of December 31,	
	2025	2024
Zhong Shan Aubo Precision Technology Co., Ltd.	\$1,002,109	\$924,296
Minson Integration, Inc.	858,171	832,733
Proxene Tools Co., Ltd.	1,022,413	-
Total	<u><u>\$2,882,693</u></u>	<u><u>\$1,757,029</u></u>

B. Profit(loss) allocated to material non-controlling interest:

	For the years ended December 31,	
	2025	2024
Zhong Shan Aubo Precision Technology Co., Ltd.	\$231,697	\$222,243
Minson Integration, Inc.	71,726	56,410
Proxene Tools Co., Ltd.	20,819	-
Total	<u>\$324,242</u>	<u>\$278,653</u>

C. Dividends paid to material non-controlling interests

For the year ended December 31, 2025, Zhong Shan Aubo Precision Technology Co., Ltd., Minson Integration, Inc. and Proxene Tools Co., Ltd. announced to distribute \$147,004 thousand (RMB 70,000 thousand), \$63,246 thousand and \$81,585 thousand, respectively, which have not been distributed as of December 31, 2025.

For the year ended December 31, 2024, Zhong Shan Aubo Precision Technology Co., Ltd. and Minson Integration, Inc. announced to distribute \$79,047 thousand (RMB 36,000 thousand) and \$18,823 thousand, respectively, which have not been distributed as of December 31, 2024.

D. The aggregated financial information of subsidiaries that have material non-controlling interests was provided blow. This information was based on amounts before inter-company eliminations.

(a) Zhong Shan Aubo Precision Technology Co., Ltd.

(i) Summarized information of profit or loss as follows:

	For the years ended December 31,	
	2025	2024
Operating revenue	\$2,857,982	\$2,820,254
Profit from continuing operations	487,784	467,880
Total comprehensive income	455,518	468,067

(ii) Summarized information of financial position as follows:

	As of December 31,	
	2025	2024
Current assets	\$1,872,322	\$1,715,946
Non-current assets	815,134	849,921
Current liabilities	567,057	619,981
Non-current liabilities	10,695	-

(b) Minson Integration, Inc.

(i) Summarized information of profit or loss as follows:

	For the years ended December 31,	
	2025	2024
Operating revenue	\$3,075,113	\$2,604,802
Profit from continuing operations	246,052	257,853
Total comprehensive income	294,954	312,361

(ii) Summarized information of financial position as follows:

	As of December 31,	
	2025	2024
Current assets	\$1,736,489	\$1,418,197
Non-current assets	1,149,920	1,468,401
Current liabilities	937,726	685,325
Non-current liabilities	93,426	132,372

(c) Proxene Tools Co., Ltd.

(i) Summarized information of profit or loss as follows:

	For the years ended December 31,	
	2025	2024
Operating revenue	\$862,505	\$-
Profit from continuing operations	100,636	-
Total comprehensive income	94,425	-

(ii) Summarized information of financial position as follows:

	As of December 31,	
	2025	2024
Current assets	\$934,976	\$-
Non-current assets	820,903	-
Current liabilities	476,352	-
Non-current liabilities	245,502	-

7. Related party transactions

Information of related parties that had transactions with the Group during the financial reporting periods is as follows:

Name of the related parties	Nature of relationship of the related parties
Fu Sheng Industrial Co., Ltd.	Substantive related party
Fu Sheng Industrial (Shanghai) Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Machinery Co., Ltd.	Substantive related party
Fu Sheng (Vietnam) Industrial Co., Ltd.	Substantive related party
FS-Elliott(Shanghai)Machinery Co., Ltd.	Substantive related party
Min Yang Co., Ltd.	Substantive related party
Minson Enterprises Co., Ltd.	Substantive related party
Worldmark Service Ltd.	Substantive related party
Well Base International Limited	Substantive related party
California Air Compressor Company	Substantive related party
FS-Elliott Co. LLC	Substantive related party
FS Compressor (Thailand) Co., Ltd.	Substantive related party
Eclatorq technology Co., Ltd.	Substantive related party
Wu, Chuan-Fu	Substantive related party

Significant transactions with the related parties

Transactions with related parties that are significant in amount or balance, exceeding 10% or \$5,000 thousand of the total amount or balance of each type of transaction for the group, should be individually listed, and all the remaining amount or balance should be aggregated and presented collectively.

(1) Sales

	For the years ended December 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$6,114	\$1,527
Eclatorq technology Co., Ltd.	10,063	-
Others	1,837	364
Total	<u>\$18,014</u>	<u>\$1,891</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 90 days, while the terms for overseas sales were 30~120 days from FOB shipping point. The collection period for third party domestic sales was month-end 14~120 days, while the terms for overseas sales were 30~90 days from FOB shipping point.

(2) Purchases

	For the years ended December 31,	
	2025	2024
Substantive related party		
Zhong Shan Fu Sheng Machinery Co., Ltd.	\$722	\$1,434
Other	423	850
Total	<u>\$1,145</u>	<u>\$2,284</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 30~90 days.

(3) Accounts receivable

	As of December 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$3,236	\$501
Other	25	-
Total	<u>\$3,261</u>	<u>\$501</u>

The outstanding funds were unsecured, interest-free, and subject to cash settlement. There is no guarantee for the receivables of related parties.

(4) Accounts payables

	As of December 31,	
	2025	2024
Substantive related party		
FS-Elliott Co. LLC	\$-	\$164
FS Compressor (Thailand) Co., Ltd.	86	-
Others	-	84
Total	<u>\$86</u>	<u>\$248</u>

(5) Other payables

	As of December 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$10	\$1,619
Fu Sheng (Vietnam) Industrial Co., Ltd.	236	-
Total	<u>\$246</u>	<u>\$1,619</u>

(6) Guarantee deposits paid

	As of December 31,	
	2025	2024
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	<u>\$65,250</u>	<u>\$70,144</u>

(7) Lease

A. Rent Income

	For the years ended December 31,	
	2025	2024
Substantive related party		
Worldmark Service Ltd.	\$480	\$494
Others	20	-
Total	<u>\$500</u>	<u>\$494</u>

The rental income is generated from leasing the plant to related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

B. Rent Expense

	For the years ended December 31,	
	2025	2024
Substantive related party		
Fu Sheng Industrial Co., Ltd.	<u>\$1,260</u>	<u>\$1,260</u>

Rental expenses incurred as a result of leasing from related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

C. Right-of-use assets

	As of December 31,	
	2025	2024
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$332,612	\$373,942
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	165,000	172,334
Others	2,142	-
Total	<u>\$499,754</u>	<u>\$546,276</u>

D. Lease liabilities

		As of December 31,	
		2025	2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.		\$278,125	\$292,443
Others		2,182	-
Total		<u>280,307</u>	<u>\$292,443</u>

E. Interest Expense

		For the years ended December 31,	
		2025	2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.		\$5,883	\$3,166
Others		30	-
Total		<u>\$5,913</u>	<u>\$3,166</u>

F. Depreciation

		For the years ended December 31,	
		2025	2024
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.		\$24,416	\$20,922
Zhong Shan Fu Sheng Electromechanical Co., Ltd.		7,481	7,706
Others		602	-
Total		<u>\$32,499</u>	<u>\$28,628</u>

(8) Property transaction

Purchase of Property, plant and equipment:

		Purchasing price	
		For the years ended December 31,	
Related party	Item of asset	2025	2024
Fu Sheng Industrial Co., Ltd.	Miscellaneous equipment	\$137	\$8,179
Fu Sheng Industrial (Shanghai) Co., Ltd.	Buildings	1,015	-
FS Compressor (Thailand) Co., Ltd.	Machinery and equipment	300	-
Total		<u>\$1,452</u>	<u>\$8,179</u>

The above purchase price was negotiated by the buyer and the seller.

(9) Key management personnel compensation

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$105,165	\$87,593

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount		Secured liabilities
	December 31, 2025	December 31, 2024	
Financial assets measured at amortized cost — Current	\$23,000	\$15,000	Security deposit for natural gas service, project performance and short-term loans
Property, plant and equipment — Land	347,515	51,495	Long-term loans and short-term loans
Property, plant and equipment — Buildings	615,841	285,666	Long-term loans and short-term loans
Property, plant and equipment — Machinery and equipment	12,785	-	Long-term loans
Right-of-use assets — Land	41,152	44,470	Short-term loans
Total	\$1,040,293	\$396,631	

9. Commitments and contingencies

(1) Contingent liabilities

Qingda Construction Co., Ltd. (hereinafter referred to as 'Qingda') contracted with its subsidiary, Proxene Tools Co., Ltd. (hereinafter referred to as 'Proxene'), for the 'Proxene Factory Office New Construction Project' on October 25, 2019. Due to defects in Qingda's work, and after Proxene's requests for repairs, Qingda still refused to make the necessary repairs. Therefore, on September 21, 2023, Proxene applied for mediation. However, Qingda refused to appear in court despite receiving two notices from the Taichung District Court, resulting in Proxene receiving a certificate of unsuccessful mediation on December 13, 2023.

On November 28, 2023, Qingda filed a lawsuit against Proxene, requesting payment for the project cost in the amount of \$15,130 thousand, additional cost of \$10,526 thousand, penalty of \$817 thousand and interest, totaling \$26,473 thousand. Qingda also requested the return of a performance guarantee check in the amount of \$2,678 thousand.

On December 20, 2023, Proxene filed a counterclaim requesting Qingda to pay for repair costs of \$3,367 thousand and to reduce the project price by \$576 thousand. Qingda contended that Proxene's claims were time-barred. On February 23, 2024, Proxene submitted a counterclaim preparation document, additionally requesting for a follow-up notice regarding defects discovered by Proxene in October 2023. However, the repair costs are still pending estimation after Qingda's refusal to make repairs. As the case is still pending at the court, as of September 30, 2025, Proxene's present obligations have not been confirmed, and the amount of those obligations cannot be reliably estimated.

Proxene has already recognized \$14,470 thousand of the aforementioned project costs as other payable during the project.

(2) Commitments

A. As of December 31, 2025, the Group has unused letters of credit were amounted to JPY30,327 thousand, EUR1,611 thousand and NTD100,192 thousand,.

B. As of December 31, 2025, the Group provided endorsement and guarantee to subsidiaries were amounted to US66,000 thousand, NTD255,000 thousand and RMB150,000 thousand. Please refer to Note 13 for more details.

C. Financial institution commitments:

Financial institution	Purpose of guarantee	Amount
Bank Sinopac Co. Ltd.	Customs Duty Guarantee	\$3,000
Bangkok Bank Public Company Limited	Electricity Usage Guarantee	5,421

(4) Significant unpaid commitments:

Contract	Contract amount	Payment amount	Unpaid amount
Land use rights and plant buildings	\$315,284	\$299,677	\$15,607
Machinery and equipment, etc.	447,088	323,451	123,637
	<u>\$762,372</u>	<u>\$623,128</u>	<u>\$139,244</u>

Payment amount is recognized as construction in progress and equipment awaiting examination, prepayments for equipment and prepayments.

10. Losses due to major disasters:

None.

11. Significant subsequent events:

- (1) On January 14, 2026, Proxene Group resolved at its board meeting that its subsidiary, Ducrown Industrial Co., Ltd., would acquire the business assignment of Janstone Enterprise Co., Ltd. (hereinafter referred to as the “Target Company”) for a cash consideration capped at NTD135,000 thousand. The Target Company is a distributor of hardware hand tools. Proxene Group expects that the acquisition will strengthen its market position and achieve cost reductions through economies of scale.

The consideration paid for the acquisition of the Target Company and the fair value information of the assets acquired as of the acquisition date are as follows:

	January 15, 2026
Acquisition consideration	
Cash	\$67,500
Contingent consideration	67,500
Subtotal	<u>135,000</u>
Fair value of identifiable assets acquired and liabilities assumed	
Customer relationships	44,961
Total identifiable net assets	<u>44,961</u>
Goodwill	<u>\$90,039</u>

The above amounts are recognized as provisional amounts and may be adjusted upon issuance of the final appraisal report.

The acquisition consideration will be paid in three installments over the years. The first installment of NTD67,500 thousand (excluding tax) was paid on January 15, 2026. Subsequent payments will be settled based on the operating results of the Target Company. If the final total payment exceeds \$135,000 thousand, both parties shall obtain approval from their respective board of directors and/or shareholders’ meetings to make such payment effective.

12. Others

- (1) Categories of financial instruments

Financial assets

	As of December 31,	
	2025	2024
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$288,017	\$233,687
Subtotal	<u>288,017</u>	<u>233,687</u>

	As of December 31,	
	2025	2024
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	\$7,834,336	\$7,395,140
Financial assets measured at amortized cost	180,007	19,533
Notes and accounts receivable, net (including related parties)	5,993,462	5,377,676
Other receivables (including related parties)	372,590	651,873
Guarantee deposits paid	80,472	85,220
Subtotal	14,460,867	13,529,442
Total	<u>\$14,748,884</u>	<u>\$13,763,129</u>

Financial liabilities

	As of December 31,	
	2025	2024
Financial liabilities at amortized cost:		
Current borrowings	\$1,919,867	\$1,188,095
Accounts payables (including related parties)	3,550,082	3,599,730
Other payables (including related parties)	2,041,062	2,473,550
Lease liabilities	362,600	362,046
Guarantee deposits received	4,633	376
Non-current borrowings (including current portion with maturity less 1 year)	152,046	32,640
Bonds payable	1,543,436	352,783
Total	<u>\$9,573,726</u>	<u>\$8,009,220</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies among risk factors. However, the sensitivity analysis disclosed below does not take into account the interdependencies among risk factors.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments overseas.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. Please refer to Note 12(10) for details on the information of the sensitivity analysis.

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2025 and 2024 are decrease/increase by \$28,725 thousand and \$48,668 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating loans.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk at the end of the reporting period, including investments and borrowings with floating interest rates. At the reporting date, a change of 10% of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to decrease/increase by \$233 thousand and \$503 thousand, respectively.

Equity price risk

The fair value of the Group's listed equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed equity securities is classified under financial assets measured at fair value through profit or loss. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2025 and 2024 by \$1,728 thousand and \$1,709 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2025 and 2024, amounts receivables from top ten customers represented 76% and 78% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with investment grade. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts and notes receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery.

When the Group adopted IFRS 9 to assess the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2025					
Current borrowings (including interest payable)	\$1,958,035	\$-	\$-	\$-	\$1,958,035
Accounts payables (including related parties)	3,550,082	-	-	-	3,550,082
Other payables (including related parties)	2,041,276	-	-	-	2,041,276
Lease liabilities	65,958	72,357	36,160	263,198	447,846
Guarantee deposits received	4,633	-	-	-	4,633
Non-current borrowings (including interest payable)	67,421	40,652	47,907	-	155,980
Convertible bonds	-	1,650,000	-	-	1,650,000
As of December 31, 2024					
Current borrowings (including interest payable)	\$1,235,768	\$-	\$-	\$-	\$1,235,768
Accounts payables (including related parties)	3,599,730	-	-	-	3,599,730
Other payables (including related parties)	2,473,550	-	-	-	2,473,550
Lease liabilities	43,003	66,521	29,394	307,803	446,721
Guarantee deposits received	376	-	-	-	376
Non-current borrowings (including interest payable)	8,705	16,925	8,221	-	33,851
Convertible bonds	354,300	-	-	-	354,300

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
As of January 1, 2025	\$1,188,095	\$352,783	\$32,640	\$376	\$362,046	\$1,935,940
Cash flows	309,406	1,763,069	(64,596)	4,059	(49,781)	1,727,160
Non-cash change						
Acquisition	246,147	-	183,190	-	7,749	437,086
Others	-	(572,416)	-	-	62,912	(509,504)
Exchange differences	176,219	-	812	198	(20,326)	391,900
As of December 31, 2025	<u>\$1,919,867</u>	<u>\$1,543,436</u>	<u>\$152,046</u>	<u>\$4,633</u>	<u>\$362,600</u>	<u>\$3,982,582</u>

Reconciliation of liabilities for the year ended December 31, 2024:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$680,793	\$1,174,183	\$40,800	\$3,159	\$296,986	\$2,195,921
Cash flows	68,986	-	(32,366)	(2,937)	(76,522)	(42,839)
Non-cash change						
Acquisition	421,096	-	-	-	-	421,096
Others	-	(821,400)	24,534	-	134,933	(661,933)
Exchange differences	17,220	-	(328)	154	6,649	23,695
As of December 31, 2024	<u>\$1,188,095</u>	<u>\$352,783</u>	<u>\$32,640</u>	<u>\$376</u>	<u>\$362,046</u>	<u>\$1,935,940</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, notes and accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of December 31,	
	2025	2024
Financial liabilities:		
Bonds payable	\$1,543,436	\$352,783
	Fair value as of December 31,	
	2025	2024
Financial liabilities:		
Bonds payable	\$1,551,570	\$353,733

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of December 31, 2025 and 2024 is as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(12) for further information on this transaction.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis was as follows:

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$172,752	\$-	\$-	\$172,752
Unlisted stocks	-	-	1,400	1,400
Private-placement funds	-	-	112,485	112,485
Convertible bond redemption	-	-	1,380	1,380

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$170,870	\$-	\$-	\$170,870
Unlisted stocks	-	-	1,400	1,400
Private-placement funds	-	-	61,417	61,417

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for Recurring fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets				
	at fair value through profit or loss				
	Unlisted stocks	Derivative Instrument	US dollar aggressive funds	Private- placement funds	Total
Beginning balances as of January 1, 2025	\$1,400	\$-	\$-	\$61,417	\$62,817
Disposal for the year ended December 31, 2025	-	-	-	-	-
Acquisition for the year ended December 31, 2025	-	1,080	-	25,704	26,784
Settlements for the year ended December 31, 2025	-	-	-	-	-
Amount recognized in profit (presented in "other gains or losses, net")	-	300	-	25,364	25,664
Ending balances as of December 31, 2025	<u>\$1,400</u>	<u>\$1,380</u>	<u>\$-</u>	<u>\$112,485</u>	<u>\$115,265</u>
Beginning balances as of January 1, 2024	\$1,400	\$-	\$403	\$42,362	\$44,165
Disposal for the year ended December 31, 2024	-	-	(458)	-	(458)
Acquisition for the year ended December 31, 2024	-	-	-	16,705	16,705
Settlements for the year ended December 31, 2024	-	(19)	-	-	(19)
Amount recognized in profit (presented in "other gains or losses, net")	-	19	55	2,350	2,424
Ending balances as of December 31, 2024	<u>\$1,400</u>	<u>\$-</u>	<u>\$-</u>	<u>\$61,417</u>	<u>\$62,817</u>

Total gains and losses recognized in profit or loss for the years ended December 31, 2025 and 2024 in the table above contain gains and losses related to assets on hand as of December 31, 2025 and 2024 in the amount of \$25,664 thousand and \$2,369 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

- (a) No quantitative information of significant unobservable inputs and sensitivity analysis were available as the fair values of structured investment products and financial products were measured by the unadjusted quotes from transaction counterparties.
- (b) The fair value of unlisted securities is estimated using the market approach valuation techniques based on parameters such as the market transaction prices of comparable companies whose business and industry are similar to the investee's and considering the liquidity discount factor.
- (c) As the binomial tree model is used by the embedded derivatives to price the fair value, the volatility of the embedded derivatives is a significant unobservable input. A change of 1 basis points of volatility could cause the profit of the Group to decrease/increase by \$14.
- (d) The fair value of private-placement funds is estimated using the net asset value and consider the liquidity discount. A change of 1 basis points of the liquidity discount could cause the profit of the Group to decrease/increase by \$1,125 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Management Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

- C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2025,

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$47,116	\$47,116
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$-	\$1,551,570	\$-	\$1,551,570

As of December 31, 2024,

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
None.				
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$-	\$353,733	\$-	\$353,733

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

As of December 31, 2025					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$261,861	31.44	\$8,232,910	1%	\$82,329
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	\$170,495	31.44	\$5,360,363	1%	\$53,604

	As of December 31, 2024				
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$297,432	32.78	\$9,749,821	1%	\$97,498
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	\$148,963	32.78	\$4,883,007	1%	\$48,830

The above information is disclosed based on book value of foreign currency. The exchange rate is determined with reference to the spot selling exchange rate announced by Anue.

Since there were various functional currencies used within the subsidiaries of the Group, the Group was unable to disclose foreign exchange gains and losses towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains (losses) was \$(277,271) thousand and \$366,483 thousand for the years ended December 31, 2025 and 2024, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

- A. Financing provided to others: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
- C. Material securities held at the end of the period: Please refer to Attachment 3.
- D. Related party transactions for purchases and sales amounts exceeding \$100 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
- E. Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock or more: Please refer to Attachment 5.
- F. Others: Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between term: Please refer to Attachment 6.

(2) Information on investees

- A. Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: Please refer to Attachment 7.
- B. For the investees over which the Company directly or indirectly has control, the related information required under item (1) above, subitems A through F, shall be disclosed. Except for the information required under subitems A, B, and D through F above, which is provided in Attachments 1 and 2 and Attachments 4 through 6, respectively, there is no information available for subitem C above.

(3) Information on investments in mainland China (written off as a result of consolidated statements):

- A. The investee company name, main businesses, paid-in capital, type of the investment, capital inflow and outflow, ownership, investment gains and loss, ending balance of investment, repatriation of investment income and the mainland investment limit scenario: Please refer to Attachment 8.
- B. Transactions with the investee companies directly or indirectly through and third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses: Please refer to Attachment 9.

14. Segment information

(1) General information

For management purposes, the Group divides operating units based on different products and services, and divides them into the following two reporting operating departments:

- A. Golf Business Segment: This segment is responsible for the manufacturing and sales of golf club head and shafts.
- B. Sports Equipment Business Segment: This segment is responsible for the manufacture and sales of boots, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other related sports.

The aforementioned reportable operating department did not summarize more than one operating department.

(2) Segment Information

The management individually monitors the operating results of its business units to formulate decisions on resource allocation and performance evaluation. The performance of the department is evaluated based on pre-tax profit and loss. The reportable department's accounting policies are the same as the general accounting policies of the Group.

(3) Reconciliation for segment revenue, income(loss), assets, liabilities and others

As of December 31, 2025

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$25,011,077	\$3,052,160	\$28,063,237	\$1,726,519	\$-	\$29,789,756
Inter-segment (Note 2)	9,542	22,953	32,495	49,604	(82,099)	-
Total revenue	\$25,020,619	\$3,075,113	\$28,095,732	\$1,776,123	\$(82,099)	\$29,789,756
Segment profit	\$3,239,937	\$192,897	\$3,432,834	\$11,523	\$-	\$3,444,357
Segment assets	\$21,867,929	\$4,035,956	\$25,903,885	\$4,530,414	\$(147,149)	\$30,287,150
Segment liabilities	\$9,118,042	\$1,112,637	\$10,230,679	\$1,502,952	\$(147,149)	\$11,586,482

As of December 31, 2024

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$24,409,843	\$2,604,802	\$27,014,645	\$1,355,047	\$-	\$28,369,692
Inter-segment (Note 2)	16,368	-	16,368	56,860	(73,228)	-
Total revenue	\$24,426,211	\$2,604,802	\$27,031,013	\$1,411,907	\$(73,228)	\$28,369,692
Segment profit	\$3,957,511	\$248,190	\$4,205,701	\$(146,297)	\$-	\$4,059,404
Segment assets	\$15,022,980	\$2,886,598	\$17,909,578	\$8,442,244	\$(188,296)	\$26,163,526
Segment liabilities	\$6,923,330	\$817,697	\$7,741,027	\$1,914,393	\$(188,296)	\$9,467,124

During the third quarter of 2024 and the second quarter of 2025, the Group acquired the AS Group, which is responsible for automotive component-related operations, and the Proxene Group, which is responsible for hand tool machinery-related operations, respectively. Although the economic characteristics of these businesses differ slightly from those of the Golf Division and the Sports Assembly Division, the related revenue, profit or loss, and assets of these operating segments have not met the quantitative thresholds required for separate reporting as of the date of this financial report, and are therefore disclosed under other segments.

Note1: Revenue from other operating segments are operating segments that do not meet the quantitative thresholds for reportable segments.

Note2: Inter-segment revenues are eliminated on consolidation and recorded under the “Adjustment and Elimination” column.

(4) The information of product and service information

Product	For the years ended December 31,	
	2025	2024
Golf club heads and shafts	\$20,866,696	\$21,618,117
Boots for ice hockey, motocross and other sports related equipment	3,075,113	2,325,063
Other	5,847,947	4,426,512
Total	<u>\$29,789,756</u>	<u>\$28,369,692</u>

(5) Geographical information

A. Revenue from external customers:

	For the years ended December 31,	
	2025	2024
United States	\$19,480,879	\$19,674,658
Japan	3,777,249	4,031,130
Others (not reaching 10%)	6,531,628	4,663,904
Total	<u>\$29,789,756</u>	<u>\$28,369,692</u>

Revenue is categorized based on the customer's country.

B. Non-current assets:

	As of December 31,	
	2025	2024
Taiwan	\$3,490,537	\$1,643,575
China	2,074,643	2,258,417
Vietnam	2,673,688	2,278,882
Thailand	2,044,722	1,911,868
Asia	23,420	8,122
America	-	734
Total	<u>\$10,307,010</u>	<u>\$8,101,598</u>

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets and other non-current assets, others, but exclude financial instruments and deferred tax assets.

(6) Information about major customers

	For the years ended December 31,	
	2025	2024
Customer A	\$7,197,662	\$7,642,143
Customer B	4,248,999	4,549,800
Customer C	3,142,905	2,673,474
Customer D	1,742,824	1,669,979
Customer E	1,621,405	1,573,592
Total	<u>\$17,953,795</u>	<u>\$18,108,988</u>

ATTACHMENT 1 : Financings provided to others

(Unit : thousands of NTD)																
No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note2)	Related Party	Maximum Balance for the period (Note3)	Ending Balance (Note8)	Actual Amount provided	Interest Rate	Nature of Financing (Note4)	Transaction Amounts (Note5)	Reason for short term financing (Note6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
0	Fusheng Precision Co., Ltd.	Ming Fa Cheng Enterprise Co., Ltd.	Other receivables	No	\$50,000	\$25,000	\$25,000	3.250%	1	\$87,060	-	\$-	Cashier's check provided by third party	\$25,000	\$87,060	\$6,217,123
0	Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Other receivables- related parties	Yes	880,320	880,320	-	3.244%	2	-	Operating turnover	-	-	-	1,554,280	6,217,123
1	Minson Integration, Inc.	Minone Enterprises Company Limited	Other receivables- related parties	Yes	170,000	-	-	-	2	-	Operating turnover	-	-	-	185,525	742,102
1	Minson Integration, Inc.	Mintech Enterprises Company Limited	Other receivables- related parties	Yes	180,000	-	-	-	2	-	Operating turnover	-	-	-	185,525	742,102
2	Mintech Enterprises Company Limited	Minson Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	149,805	-	-	-	2	-	Operating turnover	-	-	-	473,187	473,187
2	Mintech Enterprises Company Limited	Menxon Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	69,909	-	-	-	2	-	Operating turnover	-	-	-	473,187	473,187
2	Mintech Enterprises Company Limited	Minone Enterprises Company Limited	Other receivables- related parties	Yes	149,805	-	-	-	2	-	Operating turnover	-	-	-	473,187	473,187
3	Menxon Enterprises (Thailand) Company Limited	Minson Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	39,948	-	-	-	2	-	Operating turnover	-	-	-	279,523	279,523
3	Menxon Enterprises (Thailand) Company Limited	Mintech Enterprises Company Limited	Other receivables- related parties	Yes	149,805	-	-	-	2	-	Operating turnover	-	-	-	279,523	279,523
3	Menxon Enterprises (Thailand) Company Limited	Minone Enterprises Company Limited	Other receivables- related parties	Yes	49,935	-	-	-	2	-	Operating turnover	-	-	-	279,523	279,523
4	Minson Enterprises (Thailand) Company Limited	Menxon Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	49,935	-	-	-	2	-	Operating turnover	-	-	-	333,408	333,408
4	Minson Enterprises (Thailand) Company Limited	Mintech Enterprises Company Limited	Other receivables- related parties	Yes	149,805	-	-	-	2	-	Operating turnover	-	-	-	333,408	333,408
4	Minson Enterprises (Thailand) Company Limited	Minone Enterprises Company Limited	Other receivables- related parties	Yes	49,935	-	-	-	2	-	Operating turnover	-	-	-	333,408	333,408
5	Minone Enterprises Company Limited	Menxon Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	19,974	-	-	-	2	-	Operating turnover	-	-	-	218,548	218,548
5	Minone Enterprises Company Limited	Mintech Enterprises Company Limited	Other receivables- related parties	Yes	69,909	-	-	-	2	-	Operating turnover	-	-	-	218,548	218,548
5	Minone Enterprises Company Limited	Minson Enterprises (Thailand) Company Limited	Other receivables- related parties	Yes	39,948	-	-	-	2	-	Operating turnover	-	-	-	218,548	218,548
6	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Technology (Jiangsu) Co.,Ltd.	Other receivables- related parties	Yes	531,000	225,000	112,500	2.800%	2	-	Operating turnover and capital expenditure	-	-	-	575,553	2,302,214
6	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Industry (SZ) Co., Ltd.	Other receivables- related parties	Yes	225,000	225,000	45,000	2.600%	2	-	Operating turnover	-	-	-	575,553	2,302,214
7	Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Chongqing) Optoelectronics Co., Ltd	Other receivables- related parties	Yes	22,500	-	-	-	2	-	Operating turnover	-	-	-	210,970	843,881
8	Extensor World Trading Ltd.(Hong Kong)	Vision International Co., Ltd.	Other receivables- related parties	Yes	723,120	723,120	723,120	3.244%	2	-	Operating turnover	-	-	-	894,748	894,748
9	Proxene Tools Co., Ltd.	Fulco Co., Ltd	Other receivables- related parties	Yes	33,250	-	-	4.000%	2	-	Operating turnover	-	-	-	103,403	206,805
10	Ducrown Industrial Co., Ltd.	Proxene Tools Co., Ltd.	Other receivables- related parties	Yes	16,000	-	-	1.800%	2	-	Operating turnover	-	-	-	28,710	28,710

Note 1 : The Company and its subsidiaries are coded as follows:

(1)The Company is coded "0".

(2)The subsidiaries are coded starting from "1" in the order.

Note 2 : If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3 : Maximum balance of the Company and its subsidiaries' financing to others for the period.

Note 4 : Nature of financing is coded as follows:

(1)The financing occurred due to business transactions is coded "1".

(2)The financing occurred due to short-term financing is coded "2".

Note 5 : Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6 : The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs, such as repayment of borrowings, acquisition of equipment, and working capital requirements.

Note 7 : (1) Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The accumulated total financing provided to others is limited to 40% of the Company's net value.

(2) Financing to an individual entity which has short-term funding needs is limited to 10% of the Company's net worth. Those subsidiaries of the Company in which the Company directly or indirectly holds 100% voting rights shall not be subject to the preceding limit in case of short-term funding needs.

(3) Minson Integration, Inc.: Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, the accumulated total financing provided to others is limited to 40% of the Company's net value.

(4) Mintech Enterprises Company Limited: The lending limit to individual parties and the total limit for funding shall not exceed 100% of the Company's net worth, and the lending parties are limited to the parent company and other subsidiaries of the Group.

(5) Menxon Enterprises (Thailand) Company Limited: The lending limit to individual parties and the total limit for funding shall not exceed 100% of the Company's net worth, and the lending parties are limited to the parent company and other subsidiaries of the Group.

(6) Minson Enterprises (Thailand) Company Limited: The lending limit to individual parties and the total limit for funding shall not exceed 100% of the Company's net worth, and the lending parties are limited to the parent company and other subsidiaries of the Group.

(7) Minone Enterprises Company Limited: The lending limit to individual parties and the total limit for funding shall not exceed 100% of the Company's net worth, and the lending parties are limited to the parent company and other subsidiaries of the Group.

(8) Zhong Shan Worldmark Sporting Goods Ltd.: The individual loan of a company or firm with business transactions with the Company is capped at the amount of business transactions between the two parties. The aforementioned business transaction amount refers to the higher of the purchase or sale amount between the two parties in the most recent fiscal year, and must not exceed 10% of the Company's net worth. The accumulated total financing provided to others is limited to 40% of the Company's net value. For companies or firms that require short-term financing, the individual loan is capped at 10% of the Company's net worth.

(9) Zhong Shan Aubo Precision Technology Co., Ltd.: The accumulated total financing provided to others is limited to 40% of the Company's net value. The individual loan of a company or firm with business transactions with the Company is capped at the amount of business transactions between the two parties.

The aforementioned business transaction amount refers to the higher of the purchase or sale amount between the two parties in the most recent fiscal year, and must not exceed 10% of the Company's net worth. For companies or firms that require short-term financing, the individual loan is capped at 10% of the Company's net worth.

(10) Extensor World Trading Ltd. (Hong Kong): Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The term "business transaction amount" refers to the higher of the purchase or sales amount between both parties in the most recent fiscal year, which shall not exceed 10% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and subsidiaries of the Company that directly or indirectly hold 100% of the voting rights shall not be subject to the preceding limit. However, when engaging in fund lending with foreign subsidiaries that are also directly or indirectly wholly-owned by the parent company, the total amount of fund lending and individual lending shall not exceed 100% of the Company's net worth, and both the total and individual lending amounts shall not exceed 10% of the most recent financial statement net worth of the parent company. The term of the fund lending shall be limited to one year.

(11) Proxene Tools Co., Ltd.: The total amount of funds lent by the Company shall not exceed 20% of the Company's net worth. The amount lent to individual entities shall be limited to 10% of the Company's net worth.

(12) Ducrown Industrial Co., Ltd.: The total amount of funds lent by Ducrown Industrial Co., Ltd. shall not exceed 40% of Ducrown Industrial Co., Ltd.'s net worth. The amount lent to individual entities shall be limited to 40% of Ducrown Industrial Co., Ltd.'s net worth.

Note 8 : If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet. With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk. If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

No. (Note 1)	Endorsement guarantee	Receiving Party		Limited of Endorsement/ Guarantee Amount for receiving party (Note3)	Maximum Balance of the period (Note4)(Note8)	Ending Balance (Note5)(Note8)	Actual Amount provided (Note6)(Note8)	Amount of Endorsement/ Guarantee collateralized (Note8)	Percentage of Accumulated Endorsement/ Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/ Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries (Note 7)	Subsidiaries Endorsed or Guaranteed for the Parent Company (Note 7)	Endorsement or Guarantee for Entities in China (Note 7)
		Company Name	Relationship (Note2)										
0	Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	2	\$38,857,022	\$503,040 (USD16,000)	\$503,040 (USD16,000)	\$-	None	3.24%	\$38,857,022	Y	N	N
0	Fusheng Precision Co., Ltd.	FS-Precision Tech Co., LLC.	2	38,857,022	628,800 (USD20,000)	- (USD0)	-	None	0.00%	38,857,022	Y	N	N
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	2	38,857,022	943,200 (USD30,000)	943,200 (USD30,000)	-	None	6.07%	38,857,022	Y	N	N
0	Fusheng Precision Co., Ltd.	Alloy Seiko Technology (Jiangsu) CO., Ltd.	2	18,651,370	270,000 (RMB60,000)	270,000 (RMB60,000)	45,000	None	1.74%	38,857,022	Y	N	Y
0	Fusheng Precision Co., Ltd.	Alloy Seiko Industry (SZ) Co., Ltd.	2	18,651,370	405,000 (RMB90,000)	405,000 (RMB90,000)	-	None	2.61%	38,857,022	Y	N	Y
0	Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	2	18,651,370	240,000	240,000	79,480	None	1.54%	38,857,022	Y	N	N
1	Mintech Enterprises Company Limited	Minson Enterprises (Thailand) Company Limited	4	473,187	149,805 (THB150,000)	149,805 (THB150,000)	29,961 (THB30,000)	149,805 (THB150,000)	0.96%	473,187	N	N	N
1	Mintech Enterprises Company Limited	Menxon Enterprises (Thailand) Company Limited	4	473,187	149,805 (THB150,000)	149,805 (THB150,000)	16,978 (THB17,000)	149,805 (THB150,000)	0.96%	473,187	N	N	N
1	Mintech Enterprises Company Limited	Minone Enterprises Company Limited	4	473,187	99,870 (THB100,000)	99,870 (THB100,000)	17,977 (THB18,000)	99,870 (THB100,000)	0.64%	473,187	N	N	N
2	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Technology (Jiangsu) Co., Ltd.	2	6,906,641	247,500 (RMB55,000)	247,500 (RMB55,000)	220,500 (RMB49,000)	None	1.59%	14,388,837	Y	N	Y
2	Zhong Shan Worldmark Sporting Goods Ltd.	Alloy Seiko Industry (SZ) Co., Ltd.	2	6,906,641	90,000 (RMB20,000)	90,000 (RMB20,000)	45,000 (RMB10,000)	None	0.58%	14,388,837	Y	N	Y
3	Proxene Tools Co., Ltd.	Ducrown Industrial Co., Ltd.	2	310,208	15,000	-	-	None	0.00%	517,013	Y	N	N

Note 1 : The Company and its subsidiaries are coded as follows:

- (1)The Company is coded "0".
(2)The subsidiaries are coded starting from "1" in numerical order.

Note 2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

- (1)An investee that has a business relationship with the Company.
(2)A subsidiary in which the Company holds directly over 50% of equity interest.
(3)An investee in which the Company and its subsidiaries hold over 50% of equity interest.
(4)An investee in which the Company holds directly or indirectly over 90% of equity interest.
(5)A company which needs mutual insurance basing on the construction agreement.
(6)A company in which the Company endorses or guarantees basing on the holding proportion of mutual investments.
(7)The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3 : The maximum of endorsement guarantee to a single entity is capped at 120% of the Company's net value; 100% directly and indirectly owned subsidiaries are not subject to such limitation, however the maximum amount of guarantee shall not exceed 250% of the Company's net value.

The total guarantee provided externally is limited to 250% of the Company's net value; the total accumulated external guarantee the Company and subsidiaries provided shall not exceed 250% of the Company's net value.

Mintech Enterprises Company Limited : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Zhong Shan Worldmark Sporting Goods Ltd. : The total amount of guarantees endorsed by the Company shall not exceed 100% of the Company's net worth. The limit for guarantees endorsed to a single enterprise shall not exceed 40% of the Company's net worth.

For subsidiaries in which the Company's parent company directly or indirectly holds 100% of the voting shares, the amount of guarantees endorsed among these subsidiaries shall not be subject to this limit, but still shall not exceed 100% of the Company's net worth.

Proxene Tools Co., Ltd. : The total amount of endorsements or guarantees provided by the Company to others shall not exceed 50% of the Company's net worth.

The individual limit for endorsements or guarantees provided by the Company to others shall not exceed 30% of the Company's net worth.

Note 4 : The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others.

Note 5 : It should be filled in the amount which approved by the Board of Directors. However, it should be filled in the amount which utilized by the chairman, whom authorized by the Board of Directors in accordance with Subparagraph 8, Article 12 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.

Note 6 : Fill in the actual amount drawn from the balance.

Note 7 : Fill in "Y" if it belongs to "Parent Company Endorsed or Guaranteed for the Subsidiaries", "Subsidiaries Endorsed or Guaranteed for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8 : Foreign currency were exchanged by exchange rate as at balance sheet date.

ATTACHMENT 3 : Material securities held as of December 31, 2025 (excluding subsidiary, associates and jointly controlled)

(Unit : thousands of NTD)

Company	Type and Name of the securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2025				Remark
				Shares/Unit	Carrying Value (Note 3)	Percentage of ownership	Fair Value	
Fusheng Precision Co., Ltd.	Preferred Shares B - Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,666 thousands shares	\$102,792	-	\$102,792	
Fusheng Precision Co., Ltd.	Preferred Stock B - Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,166 thousands shares	69,960	-	69,960	
Fusheng Precision Co., Ltd.	Private-placement funds - Hoshun Hing Intelligent Mobile Limited Partnership	-	Financial assets at fair value through profit and losses — non-current	NTD 77,955	101,367	1.11%	101,367	

Note 1 : The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2 : Securities issued by non-related parties are not required to fill in this column.

Note 3 : For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment. For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4 : Individual items amount not exceeded \$50 millions were not be presented.

(Unit : thousands of NTD)

Company Name	Related Party	Transaction Details					Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)		Remark
		Relationship	Purchases/Sales	Amount (Note 2)	Percentage of Total Sales or Purchases(%)	Payment Terms	Unit Price	Payment Terms	Balance (Note 2)	Percentage of Total Receivable (Payable)	
Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent - subsidiary	Sales	\$ (223,856)	(0.98)%	T/T 60 days	No significant difference	No significant difference	Accounts receivables	\$30,312	0.66%
Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent - subsidiary	Purchases	6,948,803	38.02%	T/T 60 days	No significant difference	No significant difference	Accounts payable	(2,192,596)	(56.01)%
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent - subsidiary	Sales	(180,022)	(0.79)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	44,829	0.98%
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent - subsidiary	Purchases	9,068,012	49.62%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(1,111,684)	(28.40)%
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(6,948,803)	(63.46)%	T/T 60 days	No significant difference	No significant difference	Accounts receivables	2,192,596	59.93%
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	Purchases	223,856	1.73%	T/T 60 days	No significant difference	No significant difference	Accounts payable	(30,312)	(0.70)%
Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd	Affiliate Company	Purchases	9,187,587	70.91%	T/T 90 days	No significant difference	No significant difference	Accounts payable	(4,709,060)	(96.53)%
Extensor World Trading Ltd. (Hong Kong)	Vision International Co., Ltd.	Affiliate Company	Sales	(269,706)	(2.46)%	T/T 120 days	No significant difference	No significant difference	Accounts receivables	34,643	1.16%
Extensor World Trading Ltd. (Hong Kong)	Vision International Co., Ltd.	Affiliate Company	Purchases	285,275	2.20%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(23,551)	(0.49)%
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(9,068,012)	(94.11)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	1,111,684	96.99%
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	Purchases	180,022	3.80%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(44,829)	(2.98)%
Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Sales	(285,275)	(2.96)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	23,551	2.97%
Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Purchases	269,706	5.69%	T/T 120 days	No significant difference	No significant difference	Accounts payable	(34,643)	(2.92)%
Vision International Co., Ltd.	Aubo Precision (Hong Kong) Co., Limited	Affiliate Company	Purchases	244,496	5.16%	T/T 45 days	No significant difference	No significant difference	Accounts payable	(19,538)	(1.30)%
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Sales	(9,187,587)	(98.66)%	T/T 90 days	No significant difference	No significant difference	Accounts receivables	4,709,060	142.63%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Viet Nam) Precision Technology Company Limited	Parent - subsidiary	Sales	(591,505)	(25.97)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	445,009	57.47%
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo Precision (Hong Kong) Co., Limited	Parent - subsidiary	Sales	(1,290,865)	(56.69)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	183,508	23.70%
Aubo Precision (Hong Kong) Co., Limited	Vision International Co., Ltd.	Affiliate Company	Sales	(244,496)	(14.75)%	T/T 45 days	No significant difference	No significant difference	Accounts receivables	19,538	11.65%
Aubo Precision (Hong Kong) Co., Limited	Zhong Shan Aubo Precision Technology Co., Ltd.	Parent - subsidiary	Purchases	1,290,865	82.93%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(183,508)	(68.46)%
Aubo (Viet Nam) Precision Technology Company Limited	Zhong Shan Aubo Precision Technology Co., Ltd.	Parent - subsidiary	Purchases	591,505	63.84%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(445,009)	89.87%
Minson Integration, Inc.	Minson Enterprises (Thailand) Company Limited	Parent - subsidiary	Sales	(160,652)	(6.20)%	T/T 120 days	No significant difference	No significant difference	Accounts receivables	60,215	10.38%
Minson Integration, Inc.	Minone Enterprises Company Limited	Parent - subsidiary	Sales	(119,953)	(4.63)%	T/T 120 days	No significant difference	No significant difference	Accounts receivables	32,938	5.68%
Minson Integration, Inc.	Menxon Enterprises (Thailand) Company Limited	Parent - subsidiary	Purchases	632,732	28.95%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(72,982)	(27.65)%
Minson Integration, Inc.	Mintech Enterprises Company Limited	Parent - subsidiary	Purchases	612,231	28.01%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(17,105)	(6.48)%
Minson Integration, Inc.	Minone Enterprises Company Limited	Parent - subsidiary	Purchases	274,364	12.55%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(51,986)	(19.69)%
Minson Integration, Inc.	Minson Enterprises (Thailand) Company Limited	Parent - subsidiary	Purchases	207,169	9.48%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(55,807)	(21.14)%
Menxon Enterprises (Thailand) Company Limited	Minson Integration, Inc.	Parent - subsidiary	Sales	(632,732)	(96.57)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	72,982	97.84%
Menxon Enterprises (Thailand) Company Limited	Mintech Enterprises Company Limited	Affiliate Company	Purchases	104,498	17.53%	T/T 60 days	No significant difference	No significant difference	Accounts payable	(18,483)	(18.69)%
Mintech Enterprises Company Limited	Minson Integration, Inc.	Parent - subsidiary	Sales	(612,231)	(73.16)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	17,105	26.27%
Mintech Enterprises Company Limited	Menxon Enterprises (Thailand) Company Limited	Affiliate Company	Sales	(104,498)	(12.49)%	T/T 60 days	No significant difference	No significant difference	Accounts receivables	18,483	28.39%
Minone Enterprises Company Limited	Minson Integration, Inc.	Parent - subsidiary	Sales	(274,364)	(54.85)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	51,986	74.09%
Minone Enterprises Company Limited	Minson Integration, Inc.	Parent - subsidiary	Purchases	119,953	28.21%	T/T 120 days	No significant difference	No significant difference	Accounts payable	(32,938)	(46.83)%
Minson Enterprises (Thailand) Company Limited	Minson Integration, Inc.	Parent - subsidiary	Sales	(207,169)	(22.60)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	55,807	27.46%
Minson Enterprises (Thailand) Company Limited	Minson Integration, Inc.	Parent - subsidiary	Purchases	160,652	19.21%	T/T 120 days	No significant difference	No significant difference	Accounts payable	(60,215)	(42.34)%

Note 1: The above ratios are calculated based on the Company's individual financial statements.

Note 2: It has been written off as a result of consolidated statements.

ATTACHMENT 5 : Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock as of December 31, 2025

(Unit : thousands of NTD)

Company	Counterparty	Relationship	Ending Balance (Note)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Collection		
Extensor World Trading Ltd.(Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	\$2,192,596	3.05	\$-	-	\$1,498,012	\$-
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	1,111,684	8.35	-	-	1,160,794	-
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd.(Hong Kong)	Affiliate Company	4,709,060	2.16	-	-	1,099,221	-
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Viet Nam) Precision Technology Company Limited	Parent - subsidiary	445,009	2.42	-	-	241,369	-
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo Precision (Hong Kong) Co., Limited	Parent - subsidiary	183,508	1.90	-	-	97,636	-

Note : It has been written off as a result of consolidated statements.

ATTACHMENT 6 : Significant intercompany transactions for the year ended December 31, 2025

(Unit : thousands of NTD)

No. (Note 1)	Related Party	Counter Party	Relationship with the Company	Transaction Details			
				Account	Amount (Note 4)	Terms	Percentage of consolidated total operating revenues or total assets(Note2)
0	Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent company to subsidiary	Purchases	9,068,012	T/T 30 days	30%
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent company to subsidiary	Purchases	6,948,803	T/T 60 days	23%
1	Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd.	Subsidiary to subsidiary	Purchases	9,187,587	T/T 90 days	31%
1	Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd.	Subsidiary to subsidiary	Accounts payable	4,709,060	T/T 90 days	16%

Note 1: The Company and its subsidiaries are coded as follows:

- 1.The Company is coded "0".
- 2.Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets;
items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 3: We included only the intercompany transactions with amounts exceeding \$50 million that represent 10% or more of consolidated total revenue or total assets.

Note 4: The above important transactions have been written off as a result of consolidated statements.

(Unit : thousands of NTD/thousands of foreign currency)											
Investor company	Investee company (Note1,2)	Address	Main business and products	Initial Investment		Investment as of December 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized (Note 3)	Remark
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book Value (Note 3)			
Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	Investment holding	\$349,750 (HKD 93,000)	\$349,750 (HKD 93,000)	93,000,000	100.00%	\$6,849,834	\$456,663	\$472,259	Note 4
Fusheng Precision Co., Ltd.	Sharphope Company Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Island.	Investment holding	1,538 (USD 50)	1,538 (USD 50)	50,000	100.00%	1,391,180	207,529	202,570	Note 4
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	No. 19 Hou Nghi Avenue, Viet Nam-Singapore Industrial Park, Binh Hoa ward, Ho Chi Minh City, Viet Nam	Manufacture and sale of golf club head	1,025,221 (USD 31,200)	538,924 (USD 16,200)	31,200,000	76.10%	1,560,848	265,390	182,275	Note 4
Fusheng Precision Co., Ltd.	Gainsmart Group Ltd.	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island.	Investment holding	824,830 (USD 25,600)	599,096 (USD 18,000)	25,600,000	100.00%	14,273	(16,158)	(16,158)	Note 4
Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	No. 88, Weisui W. Rd., Gangshan Dist., Kaohsiung	Manufacture and sale of aerospace precision casting parts	226,000	226,000	13,600,000	69.74%	187,944	(3,962)	(4,679)	Note 4
Fusheng Precision Co., Ltd.	Crosspace Co.,Ltd.	3F, No. 172, Sec. 2 Nanjing E Rd., Zhongshan Dist., Taipei City	Selling pure titanium tableware and kitchenware	1,000	1,000	100,000	100.00%	1,264	545	545	Note 4
Fusheng Precision Co., Ltd.	Minson Integration, Inc.	6F, No. 168, Ruiguang Rd., Neihu Dist., Taipei City	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	1,409,227	1,409,227	19,836,000	65.30%	2,065,149	246,052	134,977	Note 4
Fusheng Precision Co., Ltd.	Proxene Tools Co., Ltd.	No. 9-2, Lane 893, Zhongshan Road, Beizhuang Village, Shengang District, Taichung City	Manufacturing and sales of hand tools, pneumatic tools, and their related parts	1,481,295	-	9,435,000	51.00%	1,414,414	100,636	21,669	Note 4
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	International trade	294,166 (USD 10,000)	294,166 (USD 10,000)	10,000,000	100.00%	894,749	125,085	125,085	Note 4
Sharphope Company Ltd.	Vision International Co., Ltd.	No. 19 Hou Nghi Avenue, Viet Nam-Singapore Industrial Park, Binh Hoa ward, Ho Chi Minh City, Viet Nam	Manufacture and sale of golf club head	298,900 (USD 9,800)	298,900 (USD 9,800)	9,800,000	23.90%	492,831	265,390	82,658	Note 4
Sharphope Company Ltd.	Diamond Sports Equipment Co., Ltd	89/36 Kacha Village, Phaya Dam Din Road, Tambol Nan Rong, Amphur Nang Rong, Buriram, 31110	International import and export trade of various products	363 (THB 400)	-	-	40.00%	569	404	161	Note 4
Gainsmart Group Ltd.	FS-North America, Inc.	Ste. 1B, 9 E. Lockerman Street, Dover, Kent 19901, Delaware, USA.	Investment holding	748,282 (USD 23,300)	522,548 (USD 15,700)	10,000	100.00%	14,168	(16,239)	(16,239)	Note 4
FS-North America, Inc.	FS-Precision Tech Co., LLC	3025 East Victoria Street,Rancho Dominguez, CA 90221, USA.	Manufacture and sale automotive parts and aerospace parts	748,282 (USD 23,300)	522,548 (USD 15,700)	-	-	-	(21,456)	(21,456)	Note 4 + Note 5
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo (Viet Nam) Precision Technology Company Limited	Lot CN16, Plot No. 12D, N2 Street, Song Than 3 Industrial Park, Binh Duong Ward, Ho Chi Minh City, Vietnam	Manufacture precision hardware products, plastic products	185,635 (USD 6,500)	185,635 (USD 6,500)	300,000	100.00%	403,620	95,751	95,751	Note 4
Zhong Shan Aubo Precision Technology Co., Ltd.	Aubo Precision (Hong Kong) Co., Limited	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, TST, KLN, HongKong.	International trade	363 (HKD 100)	363 (HKD 100)	100,000	100.00%	148,045	43,851	43,851	Note 4
Minson Integration, Inc.	Minson Enterprises (Thailand) Company Limited	No.674,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of motocross boots	280,000	280,000	11,999,998	100.00%	328,098	21,598	22,973	Note 4
Minson Integration, Inc.	Memxon Enterprises (Thailand) Company Limited	No.666,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of ice hockey shoes	230,000	230,000	9,999,998	100.00%	275,485	15,592	16,400	Note 4
Minson Integration, Inc.	Mintech Enterprises Company Limited	No.692,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of plastic injection parts and sports helmets	400,000	400,000	19,999,998	100.00%	472,123	38,903	37,892	Note 4
Minson Integration, Inc.	Minone Enterprises Company Limited	No.675,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of sports protective gear	189,594	189,594	1,499,998	100.00%	215,605	28,821	28,740	Note 4
Minson Enterprises (Thailand) Company Limited	Mintech Enterprises Company Limited	No.692,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of plastic injection parts and sports helmets	0	0	2	0.00%	0	38,903	0	Note 4
Mintech Enterprises Company Limited	Minson Enterprises (Thailand) Company Limited	No.674,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of motocross boots	0	0	2	0.00%	0	21,598	0	Note 4
Mintech Enterprises Company Limited	Memxon Enterprises (Thailand) Company Limited	No.666,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of ice hockey shoes	0	0	2	0.00%	0	15,592	0	Note 4
Mintech Enterprises Company Limited	Minone Enterprises Company Limited	No.675,Moo 4, Tambol Prakkasa,Amphur Muang Samutprakam,Samutprakam.	Manufacture and sale of sports protective gear	0	0	2	0.00%	0	28,821	0	Note 4
Proxene Tools Co., Ltd.	Fulco Co., Ltd	Street No. 6, Trang Bang Industrial Park, An Tinh Ward, Trang Bang District, Tay Ninh Province, Vietnam	Manufacturing and sales of hand tools and their related parts	61,845	-	-	100.00%	167,501	34,689	34,689	Note 4
Proxene Tools Co., Ltd.	Ducrown Industrial Co., Ltd.	3F., No. 9-2, Lane 893, Zhongshan Road, Shengang District, Taichung City	International trade of metal hand tools	41,760	-	1,000	100.00%	71,780	43,952	43,954	Note 4

Note 1: If a publicly-issued company has a foreign holding company and uses consolidated statements as its main financial statement in accordance with local laws and regulations,

the disclosure of information about foreign invested companies may only disclose relevant information to the holding company.

Note 2: Those who are not in the situation described in Note 1 should fill in according to the following regulations:

(1)The columns of "Investee company", "Address", "Main business and products", "Initial Investment", and "Investment as of December 31, 2025" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee,

and disclose the relationship of the investees with the Company in the Remark column.

(2)The column of "Net income(loss) of investee company" should fill in the current profit and loss of the investees.

(3)The columns of "Investment income (loss) recognized" only require profit/loss of the direct investees and all investees accounted for under the equity method.

When filling in the above items, make sure the profit/loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: It includes the unrealized gross profit of the current and downstream sales.

Note 4: It has been written off as a result of consolidated statements.

Note 5: FS-Precision Tech Co., LLC. was approved for dissolution registration by the local state government in the United States in the fourth quarter of 2025.

Investee company	Main business and products	Total amount of paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (loss) of investee company	Percentage of ownership	Investment income recognized (Note 10)	Carrying value as of December 31, 2025 (Note 10)	Accumulated inward remittance of earnings as of outflow December 31, 2025	Remark
					Outflow	Inflow							
Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	USD 40,900	(2)	USD54,000 (Note 4)	\$-	\$-	USD54,000 (Note 4)	\$213,144 RMB 49,339	100.00%	\$213,144 RMB 49,339 (Note 2)(2)B	\$5,755,535 RMB 1,283,457 (Note 2)(2)B	\$-	
Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	USD 2,000	(2)	USD 2,000	-	-	USD 2,000	4,177 RMB 967	100.00%	4,177 RMB 967 (Note 2)(2)B	123,774 RMB 27,601 (Note 2)(2)B	-	
Zhong Shan DingXing Vacuum Technology Co., Ltd.	Researching and developmenting and manufacturing of vacuum technology products, vacuum coating processing and manufacturing and sales of sports equipment, hardware products, machinery and equipment, kitchenware and sanitary ware, etc.	RMB 15,200	(3) (Note 6)	-	-	-	-	11,573 RMB 2,679	100.00%	11,573 RMB 2,679 (Note 2)(2)B	111,088 RMB 24,772 (Note 2)(2)B	-	
Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing hardware, plastics and printing of packaging	RMB 60,000	(2)	USD 5,500 (Note 7)	-	-	USD 5,500 (Note 7)	487,784 RMB 112,913	52.50%	256,087 RMB 59,279 (Note 2)(2)B	1,107,593 RMB 246,988 (Note 2)(2)B	212,538	
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	RMB 500	(3) (Note 8)	-	-	-	-	7,664 RMB 1,774	52.50%	4,024 RMB 931 (Note 2)(2)B	30,893 RMB 6,889 (Note 2)(2)B	-	
Aubo (Chongqing) Optoelectronics Co., Ltd.	Optical and electronic related parts, instruments and optical glass	RMB 15,000	(3) (Note 8)	-	-	-	-	(14,036) (RMB 3,249)	52.50%	(7,369) (RMB 1,706) (Note 2)(2)B	26,655 RMB 5,944 (Note 2)(2)B	-	
Alloy Seiko Industry (SZ) Co., Ltd.	Research and development and production of hardware machinery products, and sales of automotive-related parts	USD 6,667	(3) (Note 6)	-	-	-	-	21,613 RMB 5,003	77.51%	29,965 RMB 3,878 (Note 2)(2)B	467,875 RMB 104,334 (Note 2)(2)B	-	
Alloy Seiko Technology (Jiangsu) Co., Ltd.	Manufacturing and sales of automotive parts and related metal hardware products	RMB 63,994	(3) (Note 9)	-	-	-	-	(11,565) (RMB 2,677)	77.51%	(8,964) (RMB 2,075) (Note 2)(2)B	51,006 RMB 11,374 (Note 2)(2)B	-	

Accumulated Investment in Mainland China as of December 31, 2025 (Note1)(Note3)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Limit on Investment Amount to Mainland China (Note5)
\$1,933,560 (USD 61,500)	\$1,933,560 (USD 61,500)	\$11,220,401

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China companies.
- (2) Investment in Mainland China companies through a company invested and established in a third region (The investment company in the third region is World Gate Holdings Ltd.)
- (3) Other methods.

Note 2: In the column of profit or loss on investment:

- (1) The investment still in preparation and not generating profit or loss yet should be noted.
- (2) The gain or loss on investment were determined based on the following:
 - A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
 - B. The financial statements were audited by the audit firm of the parent company in Taiwan.
 - C. The self-prepared financial statements that have not been audited.

Note 3: The amount of this attachment are expressed in New Taiwan Dollars. The exchange rate on the financial reporting date used for translating the amount of investment in foreign currency.

Note 4: It is the indirect investment repatriation amount through the reinvestment company World Gate Holdings Ltd.

Note 5: Maximum investment in Mainland China: 60% of net or consolidated net value, whichever is higher.

Note 6: It is directly invested by Zhong Shan Worldmark Sporting Goods Ltd.

Note 7: The actual remittance amount was HKD 15,000 thousand and RMB 45,000 thousand, equivalent to approximately USD 5,500 thousand.

Note 8: It is directly invested by Zhong Shan Aubo Precision Technology Co., Ltd.

Note 9: It is directly invested by Alloy Seiko Industry (SZ) Co., LTD.

Note 10: It has been written off as a result of consolidated statements.

ATTACHMENT 9 : Transactions with the investee companies directly or indirectly through a third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses were as below:

(1) Sale/Purchase:

(Unit: thousands of NTD)

Company Name	Related Party	Transaction Details				Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)		Remark
		Purchases/Sales	Amount	Percentage of Total Sales or Purchases	Payment Terms	Unit Price	Payment Terms	Balance	Percentage of Total Receivable (Payable)	
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd.	Sales	\$(223,856)	(0.98)%	T/T 60 days	Not applicable		\$30,312	0.66%	Note 1,Note 2
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd.	Purchases	6,948,803	38.02%	T/T 60 days	Not applicable		2,192,596	(56.01)%	Note 1,Note 2

Note1 : The above ratios are calculated based on the company's individual financial statements.

Note2 : The above important transactions have been written off as a result of consolidated statements.