

Consolidated Financial Statements
and Independent Auditor's Report
For the years of 2025 and 2024

Address: No. 48, Ln. 1274, Zhongzheng Rd., Zhongli Dist.,
Taoyuan City, Taiwan (R.O.C.)
Tel: (03)4252153

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

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Statement of Consolidated Financial Statements of Affiliated Enterprises

The Company and its subsidiaries that are required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

We hereby present it to you

Company name: Coxon Precise Industrial Co., Ltd

Person in Charge: Hong Huan-Ching

March 12, 2026

Auditor's Report

To: Coxon Precise Industrial Co., Ltd

Opinion

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

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

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the Group for the year ended December 31, 2025. The 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 the matters.

The key audit matters for the 2025 consolidated financial statements of the Group are specified as follows:

Authenticity of sales revenue from specific customers

The Group's 2025 consolidated revenue decreased by approximately 11% compared to 2024. The sales revenue for a specific customer in 2025 increased despite a downward trend compared to 2024. Due to the higher risk that this sales revenue may not have been genuinely realized, we have identified the authenticity of sales revenue from specific customers as a key audit matter. Please refer to Note 4 to these financial statements for a description of the relevant accounting policies regarding the recognition of related revenue.

The audit procedures performed by us are as follows:

1. Understand and test the design and operating effectiveness of internal controls related to sales revenue.
2. Select samples from the abovementioned specific customer sales details and verify supporting documentation to assess the accuracy of revenue recognition.
3. Obtain post-collection details for specific customers, examine the supporting documentation for these collections, and verify that the sales and collection parties are as expected to confirm the validity of the revenue.

Other Items

We have audited and issued an unqualified opinion on the parent company only financial statements of the Company as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and governance units for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by 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 they free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatement was deemed as material.

As part of an audit in accordance with the auditing standards in 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; design and implement appropriate countermeasures for assessed risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with statements 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 (including related safeguards).

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

The engagement partners on the audit resulting in this independent auditors' report are Ming-Chung Hsieh and Pan-Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2026

Notice to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Balance Sheet
December 31, 2025 and December 31, 2024

Units: NT\$thousand

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Asset				
1100	Cash and Cash Equivalents (Notes 6 and 27)	\$ 547,486	19	\$ 564,020	17
1110	Financial assets at fair value through profit or loss - current (Notes 7 & 27)	139,376	5	80,604	2
1120	Financial assets at fair value through other comprehensive income - current (Notes 8 & 27)	21,648	1	21,725	1
1136	Financial assets at amortized cost - current (Notes 9 & 27)	22,001	1	51,321	1
1150	Net notes receivable (Notes 10, 22 and 27)	16,804	1	27,688	1
1170	Trade receivable - non-related parties (Notes 10, 22 and 27)	984,929	34	1,226,018	36
1200	Other receivables (Notes 10 and 27)	30,232	1	29,914	1
1220	Income tax assets for the period (Note 24)	2,341	-	2,211	-
130X	Inventories (Note 11)	261,674	9	313,872	9
1410	Prepayments	69,784	2	58,058	2
1476	Other financial assets - current (Notes 27 & 29)	202	-	261	-
1479	Other current assets (Note 16)	2	-	10	-
11XX	Total current assets	<u>2,096,479</u>	<u>73</u>	<u>2,375,702</u>	<u>70</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 & 27)	7,553	-	9,180	-
1600	Property, plant and equipment (Note 13)	516,535	18	585,258	17
1755	Right-of-use assets (Note 14)	193,268	7	375,172	11
1780	Intangible assets (Note 15)	7,091	-	9,487	-
1915	Prepaid equipment payment	28,344	1	27,592	1
1990	Other non-current assets - others (Notes 16 and 27)	16,384	1	31,664	1
15XX	Total non-current assets	<u>769,175</u>	<u>27</u>	<u>1,038,353</u>	<u>30</u>
1XXX	Total assets	<u>\$ 2,865,654</u>	<u>100</u>	<u>\$ 3,414,055</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2130	Contract liabilities - Current (Note 22)	\$ 21,967	1	\$ 6,303	-
2170	Accounts payable - non-related parties (Notes 17 and 27)	543,806	19	770,386	23
2213	Payables for equipment (Note 27)	15,667	1	15,908	-
2219	Other payables - others (Notes 18 & 27)	325,750	11	383,199	11
2250	Liability provision - current (Note 19)	10,914	-	11,183	-
2280	Lease liabilities - current (Note 14)	51,469	2	90,742	3
2399	Other current liabilities	2	-	2	-
21XX	Total current liabilities	<u>969,575</u>	<u>34</u>	<u>1,277,723</u>	<u>37</u>
	Non-current bonds				
2570	Deferred income tax liabilities (Note 24)	6,324	-	6,730	-
2580	Lease liabilities - non-current (Notes 14 & 27)	130,462	5	290,458	9
2640	Net defined benefit liabilities (Note 20)	959	-	2,299	-
2670	Other non-current liabilities - other (Notes 18 and 27)	10,588	-	8,336	-
25XX	Total non-current liabilities	<u>148,333</u>	<u>5</u>	<u>307,823</u>	<u>9</u>
2XXX	Total liabilities	<u>1,117,908</u>	<u>39</u>	<u>1,585,546</u>	<u>46</u>
	Equity attributable to owners of the Company (Note 21)				
	Share capital				
3110	Ordinary shares	1,216,622	43	1,216,622	36
3200	Capital surplus	1,210,792	42	1,295,956	38
3310	Legal reserves	2,822	-	-	-
3320	Special reserves	25,396	1	-	-
3350	Undistributed earnings	2,356	-	28,218	1
3400	Other equity	(710,242)	(25)	(712,287)	(21)
31XX	Total owner's equity	<u>1,747,746</u>	<u>61</u>	<u>1,828,509</u>	<u>54</u>
3XXX	Total equity	<u>1,747,746</u>	<u>61</u>	<u>1,828,509</u>	<u>54</u>
	Total liabilities and equity	<u>\$ 2,865,654</u>	<u>100</u>	<u>\$ 3,414,055</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2025

Unit: NT\$ thousands, with earnings per share in NT\$.

Code		2025		2024	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 22, 28, and 32)	\$ 2,784,296	100	\$ 3,136,753	100
5000	Operating cost (Notes 11 and 23)	(2,498,755)	(90)	(2,839,924)	(91)
5900	Operating profits	285,541	10	296,829	9
	Operating expenses (Note 23)				
6100	Selling and marketing expenses	(97,676)	(3)	(94,591)	(3)
6200	Administrative expenses	(273,305)	(10)	(258,223)	(8)
6300	Research and development expenses	(2,666)	-	(4,020)	-
6450	Expected credit impairment reversal gain (loss)	7,878	-	(3,576)	-
6000	Total operating expenses	(365,769)	(13)	(360,410)	(11)
6900	Loss from operations	(80,228)	(3)	(63,581)	(2)
	Non-operating income and expenses (Note 23)				
7100	Interest income	13,860	-	18,190	1
7020	Other gains and losses	43,220	2	85,455	3
7210	Gains from disposal of property, plant and equipment	44,350	2	969	-
7050	Finance costs	(19,404)	(1)	(18,857)	(1)
7000	Total non-operating income and expenses	82,026	3	85,757	3
7900	Net income before tax in continuing operations	1,798	-	22,176	1
7950	Income tax benefit (expense) (Note 24)	412	-	(785)	-
8200	Net profit for the year	2,210	-	21,391	1

(continued)

(continued)

Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income (Notes 20 & 21)				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	\$ 885	-	\$ 7,761	-
8316	Unrealized Gain (Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	2,064	-	(7,111)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(758)	-	63,324	2
8300	Other comprehensive income/loss for the year, net of income tax	2,191	-	63,974	2
8500	Total Comprehensive Loss for the Year	<u>\$ 4,401</u>	<u>-</u>	<u>\$ 85,365</u>	<u>3</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 2,210	-	\$ 20,457	1
8620	Non-controlling interests	-	-	934	-
8600		<u>\$ 2,210</u>	<u>-</u>	<u>\$ 21,391</u>	<u>1</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 4,401	-	\$ 84,676	3
8720	Non-controlling interests	-	-	689	-
8700		<u>\$ 4,401</u>	<u>-</u>	<u>\$ 85,365</u>	<u>3</u>
	Earnings per share (Note 25)				
	From continuing operations				
9710	Basic	<u>\$ 0.02</u>		<u>\$ 0.17</u>	
9810	Dilute	<u>\$ 0.02</u>		<u>\$ 0.17</u>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2025

Units: NT\$thousand

		Equity attributable to owners of the Company						Other equity		Total	Non-controlling interests	Total equity
		Share capital		Retained earnings			Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income				
Code		Number of shares (thousand shares)	Amount	Capital surplus	Legal reserves	Special reserves			Undistributed earnings			
A1	Balance on January 1, 2024	121,622	\$ 1,216,622	\$ 1,424,762	\$ -	\$ -	(\$ 43,642)	(\$ 654,294)	(\$ 114,451)	\$ 1,828,997	\$ 25,218	\$ 1,854,215
C11	Capital surplus used to compensate deficit	-	-	(43,642)	-	-	43,642	-	-	-	-	-
C15	Cash dividend distributed from capital surplus	-	-	(85,164)	-	-	-	-	-	(85,164)	-	(85,164)
D1	Net profit for 2024	-	-	-	-	-	20,457	-	-	20,457	934	21,391
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	7,761	63,569	(7,111)	64,219	(245)	63,974
D5	Total comprehensive income for 2024	-	-	-	-	-	28,218	63,569	(7,111)	84,676	689	85,365
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	(25,907)	(25,907)
Z1	Balance at December 31, 2024	121,622	1,216,622	1,295,956	-	-	28,218	(590,725)	(121,562)	1,828,509	-	1,828,509
	2024 Earnings appropriation and distribution:											
B1	Legal reserves	-	-	-	2,822	-	(2,822)	-	-	-	-	-
B3	Special reserves	-	-	-	-	25,396	(25,396)	-	-	-	-	-
C15	Cash dividend distributed from capital surplus	-	-	(85,164)	-	-	-	-	-	(85,164)	-	(85,164)
D1	2025 Net income	-	-	-	-	-	2,210	-	-	2,210	-	2,210
D3	2025 Other comprehensive income after tax	-	-	-	-	-	885	(758)	2,064	2,191	-	2,191
D5	2025 Total comprehensive income	-	-	-	-	-	3,095	(758)	2,064	4,401	-	4,401
Q1	Disposal of Equity Instruments at Fair Value Through Other Comprehensive Income	-	-	-	-	-	(739)	-	739	-	-	-
Z1	Balance as of December 31, 2025	121,622	\$ 1,216,622	\$ 1,210,792	\$ 2,822	\$ 25,396	\$ 2,356	(\$ 591,483)	(\$ 118,759)	\$ 1,747,746	\$ -	\$ 1,747,746

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2025 and 2024

Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2024 and 2025

Units: NT\$thousand

Code		2025	2024
	Cash Flows from Operating Activities		
A10000	Net profit before tax for the year	\$ 1,798	\$ 22,176
A20010	Profit/loss		
A20100	Depreciation expenses	185,115	197,321
A20200	Amortization expenses	2,916	3,103
A20300	Expected credit impairment reversal		
	gain (loss)	(7,878)	3,576
A20900	Finance costs	19,404	18,857
A21200	Interest income	(13,860)	(18,190)
A21300	Dividend income	(611)	(588)
A22500	Gains from disposal of property,		
	plant and equipment	(44,350)	(969)
A29900	Gain on lease modification	(18,989)	-
A23500	Impairment loss of financial assets	-	14,490
A23700	Inventory devaluation and		
	obsolescence losses	8,002	14,046
A30000	Changes in operating assets and liabilities		
A31130	Notes receivables	10,884	38,384
A31150	Trade receivables	249,292	(397,103)
A31180	Other receivables	(448)	(17,080)
A31200	Inventory	43,455	(77,890)
A31230	Prepayments	(11,727)	(7,577)
A31240	Other Current Asset	8	11
A32125	Contract liabilities	15,664	(6,805)
A32150	Trade payables	(226,580)	280,676
A32180	Other payables	(57,449)	78,542
A32200	Provisions	(269)	(1,486)
A32230	Other current liabilities	-	2
A32240	Net defined benefit liabilities	(455)	(900)
A33000	Cash generated from operations	153,922	142,596
A33100	Interest received	13,931	18,162
A33200	Dividends received	611	588
A33300	Interest paid	(19,404)	(18,857)
A33500	Income tax paid	(124)	(1,321)
AAAA	Net cash inflow from operating		
	activities	<u>148,936</u>	<u>141,168</u>

(continued)

(continued)

Code		2025	2024
	Cash Flows from Investing Activities		
B00020	Disposal of financial assets measured at fair value through other comprehensive income	\$ 3,769	\$ -
B00050	Proceeds from disposal of financial assets at amortized cost	29,320	163,407
B00100	Acquisition of financial assets at fair value through profit or loss	(345,432)	(240,489)
B00200	Disposal of financial assets at fair value through profit or loss	289,300	220,449
B02700	Payments for property, plant and equipment	(28,295)	(23,937)
B02800	Disposal of property, plant and equipment	47,965	7,485
B03700	Increase in refundable deposits	-	(1,068)
B03800	Decreased refundable deposits	15,280	-
B04500	Payments for intangible assets	(564)	(1,840)
B06600	Decrease of other financial assets	59	93
B07100	Increase in prepayment of equipment	(752)	(3,227)
BBBB	Net cash generated from investing activities	<u>10,650</u>	<u>120,873</u>
	Cash Flows from Financing Activities		
C03000	Increase in guarantee deposits received	2,252	-
C03100	Decreased deposits received	-	(228)
C04020	Repayment of principal of lease liabilities	(90,332)	(89,871)
C04500	Cash distributions from capital surplus	(85,164)	(85,164)
C05800	Changes in non-controlling interests	<u>-</u>	<u>(25,907)</u>
CCCC	Net cash used in financing activities	<u>(173,244)</u>	<u>(201,170)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(2,876)</u>	<u>45,900</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(16,534)	106,771
E00100	Cash and cash equivalents at the beginning of the year	<u>564,020</u>	<u>457,249</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 547,486</u>	<u>\$ 564,020</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Coxon Precise Industrial Co., Ltd. and subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2025 and 2024

Coxon Precise Industrial Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
From January 1 to December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. General Information

Coxon Precise Industrial Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in June 1989. The Company mainly manufactures, packages and sells all kinds of molds, metal and plastic components; develops, manufactures, and sells all kinds of electronics, motors and components, imports and exports the above mentioned products and raw materials, and makes relevant investments. The Company's shares were previously listed on the Taipei Exchange (formerly the Taiwan GreTai Securities Market) since January 2008 and has now been listed on the Taiwan Stock Exchange (TWSE) since October 28, 2009.

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

II. Approval Dates and Procedures of Financial Statements

The consolidated financial statements were approved for publication by the Board of Directors on March 12, 2026.

III. Application of New, Amended and Revised Standards and Interpretations

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

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to IAS 21 "Lack of exchangeability" will not have material impact on the Group's accounting policies.

- (II) The IFRSs endorsed by the Financial Supervisory Commission (FSC) applicable in 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity".	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1, 2023

The Group shall apply the amendment retrospectively without restating comparative periods and shall recognize the cumulative effect of the initial application as of the date of initial application. However, if the corporate is able to restate without hindsight, it may elect to restate the comparison period.

In addition to the effects above, as of the date of authorization for issue of these consolidated financial statements, the Group assessed that other standard amendments will not have a material impact on its financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	TBC
IFRS 18 "Presentation and Disclosure in Financial	January 1, 2027 (Note 2)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Statements"	
IFRS 19 "Non-Publicly Accountable Subsidiaries: Disclosures" (including amendments for 2025)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will be applicable to Taiwanese companies from January 1, 2028, and may be adopted earlier at the company's discretion following FSC approval.

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

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes include:

- The Group shall assess whether it has specific main business activities such as investing in specific types of assets and providing financing to customers, based on which the income and expense items in the income statement are classified into operating, investing, financing, income tax and discontinued operations categories.
- The income statement shall report the operating income, pre-tax income before financing, and the subtotal and total of profit and loss.
- Provide guidance on the aggregation and disaggregation rules: The Company must identify the assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other matters, and classify and aggregate them based on the common characteristics, so that at least one of the items in the financial statements has a similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Group only marks such items as "others" when it is impossible to find a more information sign.
- Adding the disclosure of the performance measurement defined by the management: when the Group has any public communications other than the financial statements, and communicate the management's view in a certain aspect for the overall financial performance of the Group, it shall disclose the relevant information of the performance measurement defined by the management in one single note to the financial statements, including the description of the measurement, how to calculate, their reconciliations with the subtotals or totals specified by IFRSs, and the impacts of the income tax and non-controlling interests of the relevant reconciled items.

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

- When the Group prepares the statement of cash flows from operating activities using the indirect method, operating profit or loss shall be the starting point for reconciliation.
- The interest and dividends received by the Group shall be classified as investment activities, and interest and dividends paid shall be classified as financing activities. If the Group is assessed to have specific main business activities, it must consider the types of dividend income, interest income, and interest expense listed in the income statement to determine the classification of receiving dividends, receiving interest, and paying interest in the statement of cash flows. However, the above cash flows can only be classified in a single activity in the statement of cash flows.

Except for the above impacts, as of the publication date of the consolidated financial statements, the Group continues to evaluate the impact of amendments to various standards and interpretations on the financial position and financial performance, and will disclose relevant impacts when the evaluation is completed.

- IV. Summary of Significant Accounting Policies
(I) Statement of compliance

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

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments measured at fair value, and net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting period; and
3. Cash and cash equivalents (unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period (even if a long-term payment agreement to refinance, or to rearranged is completed after the balance sheet date and before the financial statements are approved for release); and
3. Liabilities that do not have a substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Group's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the disposal gain or loss is the difference between (1) the sum of the fair value of the consideration received and the fair value of the remaining investment in the former subsidiary on the day it lost control; and (2) The assets (including goodwill), liabilities and non-controlling interests of the former subsidiary shall be added up according to the book value on the date when the control is lost. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group directly disposes of the relevant assets or liabilities.

The remaining investment in the former subsidiary is the initial recognized amount according to the fair value on the date when the control is lost.

Please refer to Note 12 and Tables 5 and 6 for details of subsidiaries, shareholding ratio and main business.

(V) Foreign currencies

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

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

Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the year. However, where fair value movements are recognized in other comprehensive income, the resulting currency translation differences are also recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

When the consolidated financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries or associates and joint ventures that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollar at the rates of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests.

Where the Group disposes of all the equity of a foreign operation, or disposes of part of the equity of the foreign operation's subsidiary and loses control over it, or the retained interests after disposal of the foreign operation's joint arrangements or associates are a financial asset and treated based on the accounting policies applicable to financial instruments, all accumulated exchange differences attributable to the owners of the Company and related to the foreign operation will be reclassified to profit or loss.

Where the partial disposal of a subsidiary of a foreign operation does not result in the loss of control, the accumulated exchange differences are re-attributed to the subsidiary's non-controlling interests in proportion, and are not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(VI) Inventory

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

(VII) Investment in associates

An associate is an entity on which the Group has significant influence and is not a subsidiary or a joint venture.

The Group adopts the equity method to account for its investments in associates.

Under the equity method, investments in associates are initially recognized at cost, the carrying amount after the acquisition date is increased/decreased depending on the shares entitled in the incomes, other comprehensive incomes, and earnings distribution of associates by the Group. The Group also recognizes the changes in the Group's share of the equity of associates based on the percentage of ownership.

The amount of the acquisition cost in excess of the Group's share of the net fair value of the identifiable assets and liabilities of an associate acquired at the date of acquisition is

classified as goodwill, which is included in the carrying amount of the investment and cannot be amortized; the amount by which the Group's share of the net fair value of the identifiable assets and liabilities of the associate acquired at the acquisition date exceeds the acquisition cost is recognized in the current profit or loss.

Where an associate issues new shares, if the Group fails to subscribe in proportion to its percentage of ownership, which causes a change in the percentage of its ownership and thus the net equity value of the investment increases or decreases, the capital surplus – changes in the net value of equity of the associate under the equity method and investments accounted for using equity method shall be adjusted according to the increase or decrease. However, if the Group fails to subscribe for or acquire the shares in proportion to its percentage of ownership, which results in a decrease in its ownership interests of the associate, the amount recognized in other comprehensive income related to the associate is reclassified in proportion to the decrease, and the basis of the accounting treatment is the same as the basis that associate must adopt if it directly disposes of relevant assets or liabilities. If the adjustment in the preceding paragraph shall be debited to the capital surplus, and the balance of the capital surplus generated from the investment under the equity method is insufficient, the difference is debited to the retained earnings.

When the Group's share of losses on an associate equals or exceeds its interest in the associate (including any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized only to the extent that the recoverable amount of the investment subsequently increases.

The Group ceases to adopt the equity method on the day its investment ceases to be an associate, and its retained interests in the original associate is measured at fair value. The difference between the fair value, the price of disposal, and the carrying amount of the investment on the day the equity method ceases to be adopted is recognized in the current profit or loss. In addition, the basis of accounting treatment for all amounts recognized in other comprehensive income related to the associate is the same as the one that the associate must follow if it directly disposes of the relevant assets or liabilities.

Profit or loss on upstream, downstream, or lateral transactions between the Group and its associates is recognized in the consolidated financial statements only to the extent that it does not affect the Group's interests in the associates.

(VIII) Property, plant and equipment

Property, plant and equipment including assets held under finance leases and bearer plants are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The Group conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

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

(IX) Intangible assets

1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The Group conducts at least one annual review at the

end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. The effects of changes in accounting estimates is also deferred. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2. Derecognition

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

(X) Impairment of assets related to property, plant and equipment, right-of-use assets, intangible assets, and contract costs

The Group assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets at the end of each reporting period. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

The inventory, property, plant and equipment, and intangible assets related to customer contracts are first recognized as impairment in accordance with the inventory impairment standards and the standards above. Then, the carrying amount of the assets related to contract cost in excess of the expected amount of consideration received for the provision of the relevant goods or services less the direct relevant costs is recognized as an impairment loss. Subsequently, the carrying amount of the assets related to contract cost is included in the CGU to which they belong to perform impairment assessment of the CGU.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years. A reversal of an impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

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

1. Financial assets

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

(1) Measurement categories

Financial assets held by the Group are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Financial assets at FVTPL

Financial assets measured at FVTPL include those mandatorily measured at FVTPL and those designated as at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instrument that the Group has not designated to measure at FVTOCI, and debt instruments that are not eligible to be classified as measured at amortized cost or at FVTOCI.

Financial assets measured at FVTPL are measured at fair value, and the gains or losses arising from remeasurement (excluding any dividends or interest arising from the financial assets) are recognized in profit or loss.

B. Financial assets at amortized cost

When the Group's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- 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 generate cash flows on the certain date, and such cash flows are solely for the payment of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, receivables measured at amortized cost and other financial assets.) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

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

- a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets.
- b. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits and short-term bills that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments

C. Investments in equity instruments at fair value through other comprehensive income

The Group may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Group's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of financial assets

The Group assesses the impairment loss of financial assets measured at amortized cost (including trade receivables), finance lease receivables, and

contract assets based on the expected credit loss at the end of each reporting period.

Trade receivables and finance lease receivables are recognized in loss allowance based on the lifetime expected credit losses (ECLs). For all other financial instruments, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs, whereas the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition.

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount is recognized in profit or loss. Upon derecognition of the entire investment in liability instruments measured at FVTOCI, the difference between its carrying amount, and the total amount of the consideration received plus any cumulative gain or loss recognized as other comprehensive profit or loss is recognized as profit or loss. On disposal of the investments in equity instruments at fair value through other comprehensive income, the cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Liability provisions

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

(XIII) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation in the contracts and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from manufacturing, processing, and sales of molds, a parts and plastic molding fixtures. Sales of goods are recognized as revenue when

the goods are shipped since it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Receipts in advance are recognized as contract liabilities before the goods are shipped.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

(XIV) Lease

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1. The Group as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The initial direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

The variable rent in a lease arrangement that is not dependent on the index or rate is recognized in income in the period in which it is incurred.

When land and building are included as elements of a lease, the Group assesses if individual elements are classified as financial or operating lease based on whether almost all the risks and compensations attached to the ownership of these elements are transferred to the lessee. The lease payment is allocated to the land and building based on a relative proportion of the leasehold interest fair value of these land and building on the execution date of the contract. If the lease payment can be allocated to these two elements reliably, each of them is dealt with depending on the category it belongs. If the lease payment cannot be allocated to these two elements reliably, the overall lease is classified as financial lease; if these two elements obviously meet the criteria of operating lease, the overall lease is classified as operating lease.

2. The Group as lessee

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

Right-of-use assets are initially measured at cost (which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received). Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If ownership of the underlying asset will be acquired by the end of the lease term, or if the cost of the right-of-use asset reflects the exercising of a purchase option, the right-of-use assets are depreciated from the commencement dates to the end of the useful lives of the right-of-use assets.

Lease liabilities are initially measured at the present value of the lease payments (which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option,

and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When a lease term, a change in the amounts payable expected under a residual value guarantee, assessment of an option to purchase an underlying asset, or an index or a rate used to determine lease payments result in any change in future lease payments, the Group remeasures the lease liabilities and adjust the right-of-use-assets accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining remeasurement amount is recognized in profit or loss. Lease liability is presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(XV) Borrowing costs

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

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

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

(XVI) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost, including current service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. The remeasurement (including actuarial gains and losses, effect of changes in assets limits, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities are the deficit of the defined benefit retirement benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4. Termination benefits

When the Group can no longer revoke the offer of resignation benefit or recognize the related reorganization cost (whichever is earlier), resignation benefit liabilities shall be recognized.

(XVII) Income tax

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

1. Current income tax

The Group determines the current revenue (loss) in accordance with the laws and regulations of the jurisdiction where the income tax returns are filed and, with this as a basis, calculates the income tax payable (receivable).

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

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

2. Deferred income tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. If the current income tax or deferred income tax arises from a business combination, the income tax effect is included in the accounting treatment of the business combination.

V. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

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

When the Group develops significant accounting estimates, it will be included in the consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant major estimates. Management will continue to review the estimates and basic assumptions.

VI. Cash and cash equivalents at the end of the year

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash and Cash Equivalents	\$ 167	\$ 249
Checking accounts and demand deposits	294,567	287,114
Cash equivalents (original maturity)		

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
date within 3 months)		
Time deposits	<u>252,752</u>	<u>276,657</u>
	<u>\$ 547,486</u>	<u>\$ 564,020</u>

As of December 31, 2025 and 2024, the time deposit interest rates are 3.38% - 3.60% and 1.285% - 4.38%, respectively.

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss - current		
Structured deposit	<u>\$ 139,376</u>	<u>\$ 80,604</u>

The Group enters into a short-term structured time deposit contract with a bank. The structured time deposit includes an embedded derivative instruments not in a close relation to the main contract. Since the main contract included in the hybrid contract belongs to the assets within the scope of IFRS 9, the main contract is mandatorily classified as financial assets measured at fair value through profit or loss according to the overall assessment for the hybrid contract.

VIII. Financial assets measured at fair value through other comprehensive income

Equity instrument investment measured at fair value through other comprehensive income:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Overseas investments		
Listed shares and emerging market shares		
Fuji Seiki Co., Ltd.	\$ 21,648	\$ 21,725
Unlisted shares		
Halo Neuro Inc.	-	-
Unipassion Technology (Shanghai) Co., Ltd.	-	-
	<u>\$ 21,648</u>	<u>\$ 21,725</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Simpla Biotech Co., Ltd.	\$ -	\$ -
Cimforce International Limited	-	-
Kin Tin Optotronic Co., Ltd.	-	-
Overseas investments		
Unlisted shares		
CGK International Co., Ltd.	<u>7,553</u>	<u>9,180</u>
Total	<u>\$ 7,553</u>	<u>\$ 9,180</u>

These investments in equity instruments are held by the Group for medium to long-term strategic purposes. Accordingly, management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as FVTOCI.

The Group adjusted its investment positions to diversify risk and sold a portion of the common shares of Fuji Seiki Co., Ltd. at a fair value of NT\$3,769 thousand. The related other comprehensive income – unrealized gains/losses on financial assets measured at fair value through other comprehensive income of NT\$(739) thousand were transferred to retained earnings.

IX. Financial assets at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than three months	\$ <u>22,001</u>	\$ <u>51,321</u>

As of December 31, 2025 and 2024, the interest rate ranges for time deposits with original maturities exceeding 3 months were 2.9% - 2.95% and 1.435% - 3.95% per annum, respectively.

X. Notes receivables, accounts receivables and other receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivables</u>		
Unrelated party	\$ 16,804	\$ 27,688
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 16,804</u>	<u>\$ 27,688</u>
 <u>Trade receivables</u>		
Unrelated party	\$ 991,474	\$ 1,239,927
Less: Allowance for impairment loss	<u>(6,545)</u>	<u>(13,909)</u>
	<u>\$ 984,929</u>	<u>\$ 1,226,018</u>
 <u>Other receivables</u>		
Other	\$ 44,861	\$ 44,484
Less: Allowance for impairment loss	<u>(14,629)</u>	<u>(14,570)</u>
	<u>\$ 30,232</u>	<u>\$ 29,914</u>

(I) Trade receivables at amortized cost

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. For trade receivables that have been written off, the Group continues to engage in enforcement

activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group measures the allowance loss for notes and trade receivable based on the provision matrix as follows:

December 31, 2025

	Notes and trade receivables				Total	Overdue receivables
	Not past due	Overdue 0 to 30 days	Overdue 31 to 90 days	Overdue 91 to 180 days		Overdue over 180 days
Gross carrying amount	\$ 966,926	\$ 31,841	\$ 7,527	\$ 1,984	\$ 1,008,278	\$ 155
Loss allowance (lifetime ECL)	(1,538)	(2,076)	(1,980)	(951)	(6,545)	(155)
Amortized cost	<u>\$ 965,388</u>	<u>\$ 29,765</u>	<u>\$ 5,547</u>	<u>\$ 1,033</u>	<u>\$ 1,001,733</u>	<u>\$ -</u>

December 31, 2024

	Notes and trade receivables				Total	Overdue receivables
	Not past due	Overdue 0 to 30 days	Overdue 31 to 90 days	Overdue 91 to 180 days		Overdue over 180 days
Gross carrying amount	\$ 1,215,388	\$ 33,239	\$ 13,999	\$ 4,989	\$ 1,267,615	\$ 2,302
Loss allowance (lifetime ECL)	(3,750)	(3,971)	(4,481)	(1,707)	(13,909)	(2,302)
Amortized cost	<u>\$ 1,211,638</u>	<u>\$ 29,268</u>	<u>\$ 9,518</u>	<u>\$ 3,282</u>	<u>\$ 1,253,706</u>	<u>\$ -</u>

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

	2025		2024	
	Trade receivables	Overdue receivables	Trade receivables	Overdue receivables
Balance at January 1	\$ 13,909	\$ 2,302	\$ 7,152	\$ 4,976
Add: Impairment loss recognized	-	-	6,447	-
Less: Actual write-offs	-	(1,308)	-	-
Less: Reversal impairment loss	(7,067)	(811)	-	(2,871)
Foreign exchange difference	(297)	(28)	310	197
Balance at December 31	<u>\$ 6,545</u>	<u>\$ 155</u>	<u>\$ 13,909</u>	<u>\$ 2,302</u>

(II) Other receivables

- Mainly are the rent receivable and payment advanced by employees; as of December 31, 2025, part of rent from the equipment lease of the subsidiary, Sinxon Platstic (Dong Guan) Co., Ltd. to a vendor, Dongguan Quian Sheng, has not yet recovered, and the litigation proceeding was entered. Based on the credit risk assessment, all other receivables are fully provided with loss allowance to respond to the possible risk of collections.
- The movements of the loss allowance of other receivables were as follows:

	Other receivables
Balance on January 1, 2025	\$ 14,570
Foreign exchange difference	59
Balance as of December 31, 2025	<u>\$ 14,629</u>
Balance on January 1, 2024	\$ -
Add: Impairment loss recognized	14,490
Foreign exchange difference	80
Balance at December 31, 2024	<u>\$ 14,570</u>

XI. Inventory

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Raw Materials	\$ 22,417	\$ 27,528
Part Materials	8,795	13,994
Work in progress (including molds)	135,850	140,000
Semi-finished product	8,348	23,193
Finished goods	<u>86,264</u>	<u>109,157</u>
	<u>\$ 261,674</u>	<u>\$ 313,872</u>

The cost of sales related to inventories for the years ended December 31, 2025 and 2024 were NT\$2,498,755 thousand and NT\$2,839,924 thousand, respectively.

As of December 31, 2025 and 2024, the allowance for inventory loss amounted to NT\$116,164 thousand and NT\$107,421 thousand, respectively.

The breakdown of the cost of goods sold, including the offset against inventories, is as follows:

	<u>2025</u>	<u>2024</u>
Inventory devaluation loss	\$ 8,002	\$ 14,046
Unamortized manufacturing overhead	<u>111,364</u>	<u>117,712</u>
	<u>\$ 119,366</u>	<u>\$ 131,758</u>

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

<u>Investor Company</u>	<u>Name of Associate</u>	<u>Nature of business</u>	<u>Percentage of equity held</u>		<u>Description</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
The Company	Coxon Industry Ltd.	Global investing activities	100	100	-
Coxon Industry Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of nonmetal molding and automobile parts	81	81	1
The Company	Evergiant Trading Enterprise Co., Ltd.	Global investing activities	100	100	-
Evergiant Trading Enterprise Co., Ltd.	Hang Yuan Enterprise Ltd.	Global investing activities	100	100	-
Hang Yuan Enterprise Ltd.	Coxon Industry (Changshu) Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	100	100	-
Coxon Industry (Changshu) Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of metal and nonmetal molding and automobile parts	13	13	1
Hang Yuan Enterprise Ltd.	Changshu Huaxon Industry Co., Ltd.	Leasehold estate	100	100	-
Changshu Huaxon Industry Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of metal and nonmetal molding and automobile parts	6	6	1

Description:

1. Sinxon Plastic (Dong Guan) Ltd. had merged Dong Guan Chenxon Plastic Co., Ltd. on October 1, 2023, and completed the registration of the change on February 24, 2025.

(II) Subsidiaries not included in the consolidated financial statements: None.

XIII. Property, plant and equipment

	Freehold Land	Buildings	Machinery	Transportatio n Equipment	Office Equipment	Leasehold improvement	Other Equipment	Total
<u>Cost</u>								
Balance on January 1, 2025	\$ 79,244	\$ 1,061,111	\$ 1,761,760	\$ 19,907	\$ 36,380	\$ 173,738	\$ 103,473	\$ 3,235,613
Additions	-	-	25,530	1,066	1,363	-	95	28,054
Disposals	-	-	(197,178)	(337)	(5,430)	(81,425)	(16,560)	(300,930)
Net exchange difference	-	3,857	(670)	69	(110)	(2,661)	(459)	26
Balance as of December 31, 2025	<u>\$ 79,244</u>	<u>\$ 1,064,968</u>	<u>\$ 1,589,442</u>	<u>\$ 20,705</u>	<u>\$ 32,203</u>	<u>\$ 89,652</u>	<u>\$ 86,549</u>	<u>\$ 2,962,763</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ 18,812	\$ 711,888	\$ 1,603,960	\$ 16,173	\$ 33,228	\$ 173,371	\$ 92,923	\$ 2,650,355
Depreciation expenses	-	42,922	43,817	1,021	1,274	187	3,276	92,497
Disposals	-	-	(193,716)	(337)	(5,402)	(81,322)	(16,538)	(297,315)
Exchange difference, net	-	4,269	(453)	50	(153)	(2,649)	(373)	691
Balance as of December 31, 2025	<u>\$ 18,812</u>	<u>\$ 759,079</u>	<u>\$ 1,453,608</u>	<u>\$ 16,907</u>	<u>\$ 28,947</u>	<u>\$ 89,587</u>	<u>\$ 79,288</u>	<u>\$ 2,446,228</u>
Net amount as of December 31, 2025	<u>\$ 60,432</u>	<u>\$ 305,889</u>	<u>\$ 1,35,834</u>	<u>\$ 3,798</u>	<u>\$ 3,256</u>	<u>\$ 65</u>	<u>\$ 7,261</u>	<u>\$ 516,535</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 79,244	\$ 1,028,669	\$ 1,759,960	\$ 19,191	\$ 36,136	\$ 167,879	\$ 100,746	\$ 3,191,825
Additions	-	83	23,341	2,163	180	-	425	26,192
Disposals	-	-	(77,018)	(1,732)	(473)	-	(837)	(80,060)
Net exchange difference	-	32,359	55,477	285	537	5,859	3,139	97,656
Balance at December 31, 2024	<u>\$ 79,244</u>	<u>\$ 1,061,111</u>	<u>\$ 1,761,760</u>	<u>\$ 19,907</u>	<u>\$ 36,380</u>	<u>\$ 173,738</u>	<u>\$ 103,473</u>	<u>\$ 3,235,613</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ 18,812	\$ 647,504	\$ 1,574,787	\$ 16,413	\$ 31,891	\$ 167,211	\$ 86,842	\$ 2,543,460
Depreciation expenses	-	44,232	50,334	1,118	1,294	324	4,232	101,534
Disposals	-	-	(70,690)	(1,544)	(473)	-	(837)	(73,544)
Exchange difference, net	-	20,152	49,529	186	516	5,836	2,686	78,905
Balance at December 31, 2024	<u>\$ 18,812</u>	<u>\$ 711,888</u>	<u>\$ 1,603,960</u>	<u>\$ 16,173</u>	<u>\$ 33,228</u>	<u>\$ 173,371</u>	<u>\$ 92,923</u>	<u>\$ 2,650,355</u>
Net amount as of December 31, 2024	<u>\$ 60,432</u>	<u>\$ 349,223</u>	<u>\$ 157,800</u>	<u>\$ 3,734</u>	<u>\$ 3,152</u>	<u>\$ 367</u>	<u>\$ 10,550</u>	<u>\$ 585,258</u>

The depreciated expenses are based on a straight-line basis over the estimated useful life of the asset:

Buildings	
Main buildings	10-50 years
Engineering systems	10-20 years
Machinery	1-10 years
Transportation Equipment	1-10 years
Office Equipment	1-10 years
Leasehold improvement	2-20 years
Other Equipment	2-20 years

XIV. Lease Agreements

(I) Rights-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts of rights-of-use assets		
Freehold Land	\$ 20,270	\$ 20,822
Buildings	172,998	354,350
Total	<u>\$ 193,268</u>	<u>\$ 375,172</u>
	2025	2024
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 172,222</u>
Right-of-use assets - net exchange difference	<u>(\$ 5,759)</u>	<u>\$ 10,458</u>
Depreciation charge for right-of-use assets		
Freehold Land	\$ 610	\$ 629
Buildings	92,008	95,158
Total	<u>\$ 92,618</u>	<u>\$ 95,787</u>

(II)	Lease liabilities		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Carrying amounts of lease liabilities		
	Current	\$ 51,469	\$ 90,742
	Non-current	\$ 130,462	\$ 290,458

Range of discount rate for lease liabilities:

		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Freehold Land	7.13%	7.13%
	Buildings	4.358% ~ 5.938%	5.938%

(III) Important lease activities and terms

The Group also leases certain land and buildings for plant and dormitory use with a lease term of 5 years. The prepaid lease payments made by the Group for acquiring the right to use land in the PRC are recognized in the right-of-use assets - land, with a lease term of 50 years. The Group does not have preferential right to acquire the land and buildings leased at the end of the lease term, and it is agreed that the Group shall not sublease or transfer all or part of the subject of the lease without the consent of the lessor.

(IV) Other lease information

		<u>2025</u>	<u>2024</u>
	Short-term and low-value asset lease expenses	\$ 485	\$ 478
	Total cash (outflow) for leases	(\$ 110,221)	(\$ 109,206)

The Group has leased certain office equipment which qualifies for short-term leases and certain equipment which qualifies for low-value asset leases. The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

XV. Intangible assets

		<u>2025</u>	<u>2024</u>
	<u>Cost of computer software</u>		
	Balance at January 1	\$ 64,973	\$ 62,442
	Intangible assets acquired separately	564	1,840
	Exchange difference, net	84	691
	Balance at December 31	\$ 65,621	\$ 64,973
	<u>Accumulated amortization of computer software</u>		
	Balance at January 1	\$ 55,486	\$ 51,988
	Amortization expenses	2,916	3,103
	Exchange difference, net	128	395
	Balance at December 31	\$ 58,530	\$ 55,486
	Balance at January 1	\$ 9,487	\$ 10,454
	Closing net amount	\$ 7,091	\$ 9,487

Amortization expenses are accrued on a straight-line basis over the following useful lives:

Computer software	1-10 years
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XVI.	<u>Other assets</u>		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Current</u>		
	Other	\$ <u>2</u>	\$ <u>10</u>
	<u>Non-current</u>		
	Other non-current assets		
	Refundable deposits	\$ 16,384	\$ 31,664
	Non-performing loans	155	2,302
	Less: Allowance for impairment loss	(<u>155</u>)	(<u>2,302</u>)
		<u>\$ 16,384</u>	<u>\$ 31,664</u>

XVII.	<u>Account payables</u>		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Trade payables - operating</u>		
	Unrelated party	\$ <u>543,806</u>	\$ <u>770,386</u>

Trade payables were paid according to the condition of contract or billings from the suppliers. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

XVIII.	<u>Other liabilities</u>		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Current</u>		
	Other payables		
	Salaries or bonuses	\$ 33,596	\$ 36,853
	Payable for processing fees	161,305	212,524
	Payables for maintenance and materials	23,111	51,398
	Payables for utilities	8,190	8,571
	Remunerations of employees and directors payable	100	1,569
	Other	<u>99,448</u>	<u>72,284</u>
		<u>\$ 325,750</u>	<u>\$ 383,199</u>
	<u>Non-current</u>		
	Guarantee deposits received	<u>\$ 10,588</u>	<u>\$ 8,336</u>

XIX.	<u>Liability provisions</u>		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Employee benefits	\$ <u>10,914</u>	\$ <u>11,183</u>

The provision for employee benefits represents annual vacations taken by employees.

XX.	<u>Retirement benefit plans</u>	
(I)	Defined contribution plans	
	The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, a group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.	

(II) Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The special account is managed by the Bureau of Labor Funds, Ministry of Labor. The Group has no right to affect the investment management strategy.

The amounts of the defined benefit plan recognized in the consolidated balance sheet are listed as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 37,904	\$ 40,223
Fair value of plan assets	(<u>36,945</u>)	(<u>37,924</u>)
Deficit	<u>959</u>	<u>2,299</u>
Net defined benefit liabilities	<u>\$ 959</u>	<u>\$ 2,299</u>

Movements in net defined benefit liabilities were as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1, 2025	<u>\$ 40,223</u>	(<u>\$ 37,924</u>)	<u>\$ 2,299</u>
Current service cost	110	-	110
Net interest expense (income)	<u>654</u>	(<u>622</u>)	<u>32</u>
Recognized in profit or loss	<u>764</u>	(<u>622</u>)	<u>142</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,810)	(2,810)
Actuarial losses - Changes in financial assumptions	932	-	932
Actuarial loss - experience adjustments	<u>993</u>	<u>-</u>	<u>993</u>
Recognized in other comprehensive income	<u>1,925</u>	(<u>2,810</u>)	(<u>885</u>)

(continued)

(continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Benefits paid	(\$ 5,008)	\$ 5,008	\$ -
Contributions from the employer	-	(597)	(597)
December 31, 2025	<u>\$ 37,904</u>	<u>(\$ 36,945)</u>	<u>\$ 959</u>
January 1, 2024	<u>\$ 51,747</u>	<u>(\$ 40,787)</u>	<u>\$ 10,960</u>
Current service cost	116	-	116
Net interest expense (income)	<u>647</u>	<u>(515)</u>	<u>132</u>
Recognized in profit or loss	<u>763</u>	<u>(515)</u>	<u>248</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,545)	(3,545)
Actuarial gain - changes in financial assumptions	(1,515)	-	(1,515)
Actuarial gains - experience adjustment	<u>(2,701)</u>	<u>-</u>	<u>(2,701)</u>
Recognized in other comprehensive income	<u>(4,216)</u>	<u>(3,545)</u>	<u>(7,761)</u>
Benefits paid	(8,071)	8,071	-
Contributions from the employer	-	<u>(1,148)</u>	<u>(1,148)</u>
December 31, 2024	<u>\$ 40,223</u>	<u>(\$ 37,924)</u>	<u>\$ 2,299</u>

Through the defined benefit plans under the "Labor Standards Act," the Group is exposed to the following risks:

1. Investment risk: The Bureau of Labor Fund Utilization of the Ministry of Labor invests the labor pension fund in the onshore and offshore equity securities, debt securities and bank deposits respectively through its own utilization and commissioned operation, provided that the Company's plan assets may distribute the gain calculated at a rate not lower than the 2-year time deposit interest rate of local banks.
2. Interest rate risk: the impact of the net defined benefit liability will be partially offset by an increase in the present value of the defined benefit obligation as the interest rates of government bonds or corporate bonds decline, but the return on debt investment of the plan assets will also increase.
3. Salary Risk: The present value of the defined benefit obligation is computed with reference to the future salary of the plan member. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligation was actuarially determined by a qualified actuary. The significant assumptions at the measurement date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.375%	1.625%
Expected rate of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(\$ 932)	(\$ 969)
0.25% decrease	<u>\$ 964</u>	<u>\$ 1,001</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 941</u>	<u>\$ 979</u>
0.25% decrease	(\$ 915)	(\$ 952)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contributions to the plans for the next year	<u>\$ 590</u>	<u>\$ 660</u>
Average duration of the defined benefit obligation	10.1 years	9.9 years

XXI. Equity

(I) Ordinary Shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares authorized (in thousands)	<u>210,000</u>	<u>210,000</u>
Shares authorized	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>
Number of shares issued and fully paid (in thousands)	<u>121,662</u>	<u>121,662</u>
Shares issued	<u>\$ 1,216,622</u>	<u>\$ 1,216,622</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote and one dividend per share.

There were 12,000 thousand shares of the Company's shares authorized which were reserved for the issuance of employee share options.

(II) Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 802,548	\$ 887,712
Conversion of bonds	<u>408,244</u>	<u>408,244</u>
	<u>\$ 1,210,792</u>	<u>\$ 1,295,956</u>

Note: Such capital surplus may be used to offset a deficit; in addition when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, but is limited to a certain percentage of the Company's capital surplus and to once a year.

(III) Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In accordance with Paragraph 5 of Article 240 of the Company Act, the Company is authorized to distribute dividends and bonuses, in whole or in part, in cash upon a special resolution passed by the Board of Directors. The Company may also distribute all or part of its statutory reserve and capital surplus in cash, as provided in Paragraph 1 of Article 241 of the Company Act, and shall report such distributions to the shareholders' meeting. For the employees and directors' remuneration distribution policy stipulated in the Articles of Incorporation of the Company, please refer to Note 23 (5) Employees' and Directors' Remuneration

The Company's dividend policy is based on the current status and future development plans, considering the investment environment, capital needs and domestic and foreign competition, taking into account the shareholder interests and other factors. When there is no accumulated losses from prior years, the Company shall allocate no less than 50% of profits to shareholders. Distribution of profits may be made by way of a cash dividend or stock dividend; provided, however, the ratio for cash dividend shall be not less than 50% of the total distribution.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When the Company set aside special reserve for the cumulative amount of other equity net deductions in the preceding period, the Company shall set aside corresponding amount of special reserve from the past undistributed retained earnings.

On June 26, 2026, the Company's annual general meeting resolved to distribute NT\$2,822 thousand from legal reserve and NT\$25,396 thousand from special reserve.

On June 27, 2024, the Company's annual general meeting resolved to cover the deficit of NT\$43,642 thousand with capital surplus.

On March 12, 2026, the Board of Directors proposed the following distribution of 2025 earnings:

	<u>2025</u>
Legal reserves	\$ <u>309</u>
Special reserves	\$ <u>2,785</u>

On March 13, 2025, and March 14, 2024, the Company's Board of Directors resolved to distribute NT\$85,164 thousand and NT\$85,164 thousand in cash from capital surplus, and reported these distributions at the shareholders' meetings on June 26, 2025, and June 27, 2024, respectively.

On March 12, 2026, the Company's Board of Directors resolved to distribute NT\$85,164 thousand in cash from capital surplus, and it is expected to be reported at the annual general meeting on June 15, 2026.

The proposal for the distribution of earnings for 2025 is subject to resolution at the annual general meeting on June 15, 2026.

(IV)	Other equity items		
	1. Translation differences in the financial statements of foreign operations		
		<u>2025</u>	<u>2024</u>
	Balance at January 1	(\$ 590,725)	(\$ 654,294)
	In respect of the current year		
	- Translation differences for foreign operations	(758)	75,050
	Reclassification adjustments		
	- Disposal of foreign operations	<u>-</u>	(<u>11,481</u>)
	Balance at December 31	(<u>\$ 591,483</u>)	(<u>\$ 590,725</u>)
	2. Unrealized gains and losses on the financial assets at fair value through other comprehensive income		
		<u>2025</u>	<u>2024</u>
	Balance at January 1	(\$ 121,562)	(\$ 114,451)
	Generated in the current period		
	Unrealized (loss) gain - equity instruments	<u>2,064</u>	(<u>7,111</u>)
	Other comprehensive income	2,064	7,111
	Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>739</u>	<u>-</u>
	Balance at December 31	(<u>\$ 118,759</u>)	(<u>\$ 121,562</u>)
(V)	Non-controlling interests		
		<u>2025</u>	<u>2024</u>
	Balance at January 1	\$ -	\$ 25,218
	Share attributable to non-controlling equity		
	Net profit for the year	-	934
	Exchange differences on translating foreign operations	-	(245)
	Share payments returns from the subsidiary liquidation	<u>-</u>	(<u>25,907</u>)
	Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

22. Revenue

		<u>2025</u>	<u>2024</u>
	Revenue from contracts with customers		
	Plastic components	\$ 2,270,153	\$ 2,470,240
	Molds	128,195	140,303
	Other	<u>385,948</u>	<u>526,210</u>
		<u>\$ 2,784,296</u>	<u>\$ 3,136,753</u>

Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivables	\$ 16,804	\$ 27,688	\$ 66,072
Trade receivables - unrelated parties	\$ 984,929	\$ 1,226,018	\$ 832,993
Trade receivables - related parties	\$ -	\$ -	\$ 5
<u>Contract liabilities</u>			
Receipts in advance	\$ 21,967	\$ 6,303	\$ 13,108

The revenue recognized from customer contracts for the years ended December 31, 2025 and 2024 included NT\$3,779 thousand and NT\$10,201 thousand, respectively, recognized from initial contract liabilities.

XXIII. Net profit from continuing operations

(I) Interest income

	2025	2024
Bank deposits	\$ 13,860	\$ 18,190

(II) Other gains and (losses)

	2025	2024
Rental income	\$ 27,546	\$ 50,411
Foreign exchange (loss) gain	(20,817)	17,272
Dividend income	611	588
Income from reduction of value-added tax and tax refund	2,997	8,964
Impairment losses on financial assets (Note 10)	-	(14,490)
Miscellaneous income	30,717	24,252
Miscellaneous expenses	(16,823)	(1,542)
Gain on lease modification	18,989	-
	<u>\$ 43,220</u>	<u>\$ 85,455</u>

(III) Financial costs

	2025	2024
Interest on lease liabilities	\$ 19,404	\$ 18,857

(IV) Depreciation, amortization and employee benefit expenses

	2025			2024		
	Attributable to Operating Costs	Attributable to Operating Expenses	Total	Attributable to Operating Costs	Attributable to Operating Expenses	Total
Short-term employee benefits	\$ 283,810	\$ 103,853	\$ 387,663	\$ 285,431	\$ 113,038	\$ 398,469
Retirement benefits						
Defined contribution plans	593	2,347	2,940	917	2,602	3,519
Defined benefit plan (Note 20)	16	126	142	46	202	248
Total employee benefits expense	<u>\$ 284,419</u>	<u>\$ 106,326</u>	<u>\$ 390,745</u>	<u>\$ 286,394</u>	<u>\$ 115,842</u>	<u>\$ 402,236</u>
Depreciation expenses	<u>\$ 91,096</u>	<u>\$ 94,019</u>	<u>\$ 185,115</u>	<u>\$ 99,866</u>	<u>\$ 97,455</u>	<u>\$ 197,321</u>
Amortization expenses	<u>\$ 1,433</u>	<u>\$ 1,483</u>	<u>\$ 2,916</u>	<u>\$ 1,506</u>	<u>\$ 1,597</u>	<u>\$ 3,103</u>

(V) Employees' and directors' remuneration

The Company contributes the employees' remuneration at 3% to 12% of the pre-tax profit before deducting the remuneration of employees and directors for the current year, and not more than 3% of the same as the directors' remuneration. Following amendments to the Securities and Exchange Act in August 2024, the Company has already resolved at its 2025 shareholders' meeting to amend its Articles of Incorporation to stipulate that at least 10% of the employee remuneration allocated for that year will be distributed to entry-level employees. The employee remuneration (including entry-level employee remuneration) and director remuneration for the years ended December 31, 2025 and 2024, as estimated, were resolved by the Board of Directors on March 12, 2026 and March 13, 2025, respectively, as follows:

Estimated percentage

	<u>2025</u>	<u>2024</u>
Employees' remuneration	6%	6%
Directors' remuneration	-	0.88%

	<u>2025</u>	<u>2024</u>
Employees' remuneration	<u>\$ 100</u>	<u>\$ 1,369</u>
Directors' remuneration	<u>\$ -</u>	<u>\$ 200</u>

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

There is no difference between the actual amount of employees' and directors' remunerations for 2024 and 2023 and the amount recognized in the consolidated financial reports for 2024 and 2023.

For information on employees' and directors' remuneration resolved by the Board of Directors of the Company, please visit the "Market Observation Post System" of the Taiwan Stock Exchange.

XXIV. Income tax of continuing operations

(I) Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<u>2025</u>	<u>2024</u>
Current tax		
Adjustments for prior years' tax	(\$ 6)	\$ -
Deferred tax		
In respect of the current year	(406)	785
Income tax expense recognized in profit or loss	(\$ 412)	\$ 785

The adjustment to accounting income and income tax (expense) is as follows:

	<u>2025</u>	<u>2024</u>
Net income before tax in continuing operations	<u>\$ 1,798</u>	<u>\$ 22,176</u>
Income tax benefit at the statutory rate	\$ 359	(\$ 4,004)
Investment losses	-	(1,286)
Unrecognized loss carryforwards/deductible temporary differences	(765)	3,865
Adjustments for prior years' tax	(6)	-
Other	-	<u>2,210</u>
Income tax expense recognized in profit or loss	(\$ 412)	<u>\$ 785</u>

(II)	Current income tax assets		
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Current tax assets		
	Tax refund receivable	\$ <u>2,341</u>	\$ <u>2,211</u>

(III) Deferred tax assets and liabilities
The changes in deferred tax assets and deferred tax liabilities were as follows:
2025

			Recognized in other	
	Balance at	Recognized in	comprehensive	Balance at
	<u>January 1</u>	<u>profit or loss</u>	<u>income</u>	<u>December 31</u>
	<u>Deferred tax liabilities</u>			
	Temporary differences			
	Other	\$ <u>6,730</u>	\$ <u>-</u>	\$ <u>6,324</u>

2024

			Recognized in other	
	Balance at	Recognized in	comprehensive	Balance at
	<u>January 1</u>	<u>profit or loss</u>	<u>income</u>	<u>December 31</u>
	<u>Deferred tax liabilities</u>			
	Temporary differences			
	Other	\$ <u>5,945</u>	\$ <u>-</u>	\$ <u>6,730</u>

(IV) Deductible temporary differences and unused deductions for losses of deferred tax assets that are not recognized in the consolidated balance sheet

		<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Loss carryforwards		
	Expires in 2025	\$ 243,941	\$ 242,964
	Expires in 2026	131,256	130,730
	Expires in 2027	56,366	56,141
	Expires in 2028	103,758	103,342
	Expiry in 2029	-	36,016
	Expiry in 2030	88,326	36,428
	Expiry in 2031	-	20,316
	Expiry in 2032	939,712	-
	Expires in 2033	6,665	6,665
	Expires in 2034	<u>1,212,303</u>	<u>1,212,303</u>
		<u>\$ 2,782,327</u>	<u>\$ 1,844,905</u>
	Loss carryforwards/ deductible temporary differences	<u>\$ 1,241,165</u>	<u>\$ 1,213,844</u>

(V) Income tax assessment status

The profit-seeking enterprise income tax return of the Group has been assessed by the tax collection authority until 2023.

XXV. Earnings per share

		<u>2025</u>	Units: NT\$ per share <u>2024</u>
	Basic earnings per share		
	From continuing operations	\$ <u>0.02</u>	\$ <u>0.17</u>
	Diluted earnings per share		
	From continuing operations	\$ <u>0.02</u>	\$ <u>0.17</u>

The net profits and weighted average number of common shares used to calculate earnings per share are as follows:

Net profit for the year

	<u>2025</u>	<u>2024</u>
Net income for calculating basic loss per share	\$ <u>2,210</u>	\$ <u>20,457</u>
Net income for calculating diluted earnings per share	\$ <u>2,210</u>	\$ <u>20,457</u>

Number of strands Unit: thousand shares

	<u>2025</u>	<u>2024</u>
The weighted average number of ordinary shares outstanding in the computation of basic losses per share:	121,662	121,662
Effect of potentially dilutive ordinary shares:		
Employees' remuneration	<u>27</u>	<u>73</u>
The weighted average number of ordinary shares used to calculate diluted earnings per share	<u>121,689</u>	<u>121,735</u>

Where the Company may elect to pay the employees' remuneration in stock or cash, when the diluted earnings per share is calculated, it is assumed that the employees' remuneration will be paid in stock and the weighted average number of outstanding shares will be included if the potential ordinary shares have a dilutive effect, to calculate the diluted earnings per share. Prior to the resolution of the number of shares to be paid as the employees' remuneration in the following year, when calculating the diluted earnings per share, the dilution effect of these potential ordinary shares will still be taken into account.

XXVI. Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group adopts prudent risk management strategy and performs audit on a regular basis. The capital structure of the Group is determined according to the business development strategies and operational requirements, future growth, development blueprint and capital expenditures required, with subsequent planning for working capital and cash flow.

XXVII. Financial instruments

- (I) Fair value information - financial instruments not measured at fair value: None.
 (II) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair Value Level
December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Invest in equity instruments				
Domestic and international listed and emerging market stocks	\$ 21,648	\$ -	\$ -	\$ 21,648
Unlisted shares	<u>-</u>	<u>-</u>	<u>7,553</u>	<u>7,553</u>
	<u>\$ 21,648</u>	<u>\$ -</u>	<u>\$ 7,553</u>	<u>\$ 29,201</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Invest in equity instruments				
Domestic and international listed and emerging market stocks	\$ 21,725	\$ -	\$ -	\$ 21,725
Unlisted shares	<u>-</u>	<u>-</u>	<u>9,180</u>	<u>9,180</u>
	<u>\$ 21,725</u>	<u>\$ -</u>	<u>\$ 9,180</u>	<u>\$ 30,905</u>

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

2. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Domestic and foreign unlisted common shares	Method of comparables: Measured based on the financial information of comparables at the end of the period.

3. Reconciliation of financial instruments measured at Level 3 fair value 2025

	Financial assets measured at fair value through other comprehensive income
Balance at January 1	<u>\$ 9,180</u>
Recognized in other comprehensive income	(<u>1,627</u>)
Balance at December 31	<u>\$ 7,553</u>

2024

	Financial assets measured at fair value through other comprehensive income
Balance at January 1	<u>\$ 8,010</u>
Recognized in other comprehensive income	<u>1,170</u>
Balance at December 31	<u>\$ 9,180</u>

- (III) Types of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	\$ 139,376	\$ 80,604
Financial assets at amortized cost		
Cash and cash equivalents at the end of the year	547,486	564,020
Financial assets at amortized cost - current	22,001	51,321

(continued)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivables	16,804	27,688
Trade receivables - unrelated parties	984,929	1,226,018
Other receivables	30,232	29,914
Other financial assets - current	202	261
Refundable deposits	16,384	31,664
Financial assets measured at fair value through other comprehensive income		
Invest in equity instruments - current	21,648	21,725
Invest in equity instruments - non-current	7,553	9,180
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Trade payables - non-related parties	\$ 543,806	\$ 770,386
Payables on equipment	15,667	15,908
Other payables - others	325,750	383,199
Guarantee deposits received	10,588	8,336

(IV) Objectives and policies of financial risk management

The Group's major financial instruments include investments in equity and debt instruments, trade receivable, accounts payable, and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. Such risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

(1) Foreign currency exchange rate risk

The main market risk borne by the Group is the exchange rate risk arising from the receipt of foreign currency assets due to export.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. In the event of an adverse 1% change in the NTD exchange rate against RMB, the Group's net profit after tax for the years ended December 31, 2025 and 2024 will decrease by NT\$6,074 thousand and NT\$4,536 thousand, respectively.

(2) Other price risks

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Assuming a 5% decrease in the price of equity instruments at the balance sheet date, the net profit after tax of the Group for the years ended December 31, 2025 and 2024 will not be affected as they are classified as financial assets at fair value through other comprehensive income; nonetheless, the other comprehensive income of the Group for the years 2025 and 2024 would have decreased by NT\$1,460 thousand and NT\$1,545 thousand, respectively.

2. Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk mainly come from accounts receivables generated from operating activities. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced. In addition, the credit risk is limited since the counterparties of liquid funds are all financial institutions and companies with good business credit, and there may be no significant credit risk impacts.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to fund its operations and mitigate the impact of cash flow fluctuations. The Group pays its contractual obligations by maintaining appropriate capital and bank lines. Therefore, the Group's working capital is sufficient to meet its contractual obligations, and there is no liquidity risk due to its inability to raise funds.

As of December 31, 2025 and 2024, the Group's unused bank credit facilities were NT\$0 and NT\$100,000 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Therefore, the Group may be required to immediately repay the bank borrowings within the earliest period in the table below, regardless of the probability that the bank may immediately exercise the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates .

December 31, 2025

	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
<u>Non-derivative financial liabilities</u>					
Trade payables	\$ 543,806	\$ -	\$ -	\$ -	\$ 543,806
Payables on equipment	15,667	-	-	-	15,667
Other payables - others	325,750	-	-	-	325,750
Lease liabilities	51,469	48,367	44,621	37,474	181,931

December 31, 2024

	Less than 1 year	1-2 years	2-3 years	Over 3 years	Total
<u>Non-derivative financial liabilities</u>					
Trade payables	\$ 770,386	\$ -	\$ -	\$ -	\$ 770,386
Payables on equipment	15,908	-	-	-	15,908
Other payables - others	383,199	-	-	-	383,199
Lease liabilities	90,742	99,375	101,172	89,911	381,200

(V) Information on the transfer of financial assets

The Group transferred the endorsement of bank acceptances receivable in the Mainland to suppliers to pay accounts payable. Since almost all of the risks and rewards of such notes have been transferred, the Group derecognized the transferred bank acceptances receivable and the corresponding accounts payable. However, if the derecognized bank acceptance are not honored when due, the suppliers will still have the right to demand the Group to settle them, and thus the Group will continue to engage in the notes.

The maximum exposure amount of the Group's continual engagement in the derecognized bank acceptances is the face values of the transferred but unmatured banks acceptances, which is NT\$75,246 thousand as of December 31, 2025, and all of which are due within 1 to 6 months after the balance sheet date. Considering the credit risk of the bank acceptances, the Group assessed that the fair value of its continuing engagement is not material.

In 2025, the Group did not recognize any gains or losses when transferring bank acceptances receivable, nor recognize any gains or losses of engagements in such notes in the current period and in accumulation

XXVIII. Transactions with related parties

Transactions, account balances, income, and expenses between the Company and its subsidiaries (related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. Except for those already disclosed in the note, details of transactions between the Group and other related parties are disclosed below:

(I) The names of the related parties and the relationships

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Quanta Computer Inc	Other related party - the company is a third party joint venture partner of Plenty Link Technology Co., Ltd. (Note)
Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	Other related party - the company is a wholly-owned subsidiary of Quanta Computer Inc. (Note)

Note: Due to the disposal of Plenty Link Technology Co., Ltd. on June 27, 2024, Quanta Computer Inc. and its subsidiaries ceased to be related parties as of the date of liquidation.

(II) Operating income

<u>Line Item</u>	<u>Category/Name of related party</u>	<u>2025</u>	<u>2024</u>
Sales revenue	Other related parties		
	Quanta Computer Inc	\$ <u> -</u>	\$ <u> 7,017</u>

For the sales with related parties above, the trading terms and payment policies are not materially different from those of general customers.

(III) Remuneration of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 16,591	\$ 14,712
Retirement benefits	<u>641</u>	<u>532</u>
	<u>\$ 17,232</u>	<u>\$ 15,244</u>

The remunerations of directors and other key management are determined by the Remuneration Committee on the basis of individual performance and market trends.

XXIX. Pledged assets

The following assets of the Group have been provided as collateral:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets - current	<u>\$ 202</u>	<u>\$ 261</u>

On December 31, 2023, other financial assets - current, includes the bank deposit of RMB 13 thousand frozen by the civil judgement of a court due to salary payment of RMB 13 thousand payable to employees during the job suspension resulted from the labor dispute by Sinxon Plastic (Dong Guan) Ltd.

XXX. Information on financial assets and liabilities denominated in foreign currencies with significant impact

The information below is aggregated and expressed in foreign currencies other than the functional currencies of each entity of the Group. The exchange rates disclosed refer to the exchange rates at which these foreign currencies are converted into the functional currency. and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 12,250	6.99 (USD:RMB)	\$ 372,549
USD	16,740	31.43 (USD:NTD)	<u>526,151</u>
			<u>\$ 898,700</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	740	6.99 (USD:RMB)	\$ 25,776
USD	3,614	31.43 (USD:NTD)	<u>113,600</u>
			<u>\$ 139,376</u>

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 3,652	7.32 (USD:RMB)	\$ 119,732
USD	21,245	32.785 (USD:NTD)	<u>696,518</u>
			<u>\$ 816,250</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	584	7.32 (USD:RMB)	\$ 19,341
USD	7,010	32.785 (USD:NTD)	<u>229,809</u>
			<u>\$ 249,150</u>

The Group's foreign currency exchange losses and gains (including realized and unrealized losses) for the years ended December 31, 2025 and 2024, were NT\$20,817 thousand and NT\$17,272 thousand, respectively. Due to the diversity of foreign currency transactions and the functional currencies of the Group's individual entities, it is not practicable to disclose the exchange losses and gains by significant currency.

XXXI. Separately disclosed items

(I) Information on significant transactions:

1. Loaning of funds to others: Table 1.
2. Endorsements/guarantees to others: None
3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2.
4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.

6. Others: Business relationships and significant transactions between the parent company and subsidiary companies and between subsidiaries: Table 7
- (II) Information related to reinvestees: Table 5.
- (III) Information on investment in mainland China:
1. Name of the mainland investee, main businesses, paid-in capital, investment method, status of capital remittance (in and out), shareholding ratio, profit and loss for the period and recognized investment profit and loss, ending carrying amount of investments, repatriated investment profit or loss, and the limits of investments in Mainland China: Table 6.
 2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 3.
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

XXVII. Segment information

The information used by the Group's chief operating decision makers to allocate resources and evaluate segment performance is primarily based on financial information in each operating area. The segments of the Group that should be reported can be divided into the following according to their main operating areas:

1. Taiwan and Southern China
2. Southern China (the main business scope is domestic sales)
3. Changshu area, Central China
4. Others

Segment profit or loss refers to the profit earned by each segment, excluding share of profit or loss of affiliates and joint ventures recognized under the equity method, interest revenue, gain or loss on disposal of property, plant and equipment, exchange gain or loss, financial product evaluation gain or loss, finance cost and income tax. expenses. This measured amount is provided to the chief operating decision-maker for allocating resources to segments and evaluating their performance.

(II) Revenue from main products and services

The analysis of the income of the Group's continuing operating units' main products and services is as follows:

	<u>2025</u>	<u>2024</u>
Plastic components	\$ 2,270,153	\$ 2,470,240
Molds	128,195	140,303
Others	<u>385,948</u>	<u>526,210</u>
	<u>\$ 2,784,296</u>	<u>\$ 3,136,753</u>

(III) Information by regions

The Group mainly operates in Taiwan and the Mainland China.

The Group's revenue from continuing operations from external customers is distinguished by locations of sales

Information on non-current assets classified by asset location is shown below:

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	\$ 151,321	\$ 257,487	\$ 88,546	\$ 92,969
China	2,384,358	2,826,558	656,692	904,540
United States	6,792	2,781	-	-
Japan	-	260	-	-
Other	<u>241,825</u>	<u>49,667</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,784,296</u>	<u>\$ 3,136,753</u>	<u>\$ 745,238</u>	<u>\$ 997,509</u>

Non-current assets do not include financial instruments.

(IV) Information on major customers

The details of the customers whose operating revenues accounted for more than 10% of the operating revenue on the consolidated income statement of the Group for 2025 and 2024 are as follows:

<u>Customer Name</u>	<u>2025</u>	<u>2024</u>
	Amount	Amount
Customer A	\$ 343,030	\$ 486,574
Customer B	<u>338,488</u>	<u>353,324</u>
	<u>\$ 681,518</u>	<u>\$ 839,898</u>

Coxon Precise Industrial Co., Ltd.
Loaning of funds to others
2025

Table 1

Units: NT\$thousand / US\$thousand / RMB\$thousand

No.	Lender	Borrower	Financial Statement Account	Related party	Highest Balance for the Year (line of credit)	Ending Balance (line of credit)	Actual Borrowing Amount	Interest rate %	Nature of Financing	Business Transaction Account and Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Limit for loaning of funds to single counterparty (Note 1)	Total limit for loaning of funds (Note 1)	Remarks
													Name	Value			
1	Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	Other receivables	Yes	\$ 125,758	\$ 123,640	\$ 123,640	-	Financing	\$ -	Working capital needs	\$ -	-	\$ -	\$ 596,568	\$ 596,568	

Note 1:

Our company:

- I. The total amount of capital loan shall not exceed 40% of the net value of the Company's latest financial statement.
- II. If an inter-company or inter-firm short-term financing facility is necessary, the total loan amount shall not exceed 20% of the net value of the Company's latest financial statement; the individual loan amount shall not exceed 10% of the net value of the Company's latest financial statement.

Subsidiaries:

- I. The total amount of capital loans shall not exceed 40% of the net value of the Company's latest financial statement.
- II. If an inter-company or inter-firm short-term financing facility is necessary, the total loan amount shall not exceed 40% of the net value of the Company's latest financial statement; the individual loan amount shall not exceed 30% of the net value of the Company's latest financial statement; however, if the borrower is the overseas subsidiary 100%-owned ultimately by the parent company, Coxon Precise Industrial Co., Ltd., the total loan amount could not be limited by 40% of the net value of the Company's latest financial statement mentioned above. However, the individual and the total loan amount cannot exceed 100% of the net value of the Company's latest financial statement.

Coxon Precise Industrial Co., Ltd. and subsidiaries
Significant securities held at period-end
December 31, 2025

Table 2

Units: NT\$thousand

Holding Company Name	Type and name of marketable securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	End of Current Period				Remarks
				Unit	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Changshu Huaxon Industry Co., Ltd.	Financial commodities Fixed term structured deposit	None	Financial assets measured at fair value through comprehensive income - current	-	\$ <u>139,376</u>	-	\$ <u>139,376</u>	Assets of investees
Coxon Precise Industrial Co., Ltd.	Shares Halo Neuro Inc.	None	Financial assets at FVTOCI - current	306,720	\$ -	-	\$ -	Assets of investees
Coxon Industry (Changshu) Co., Ltd.	Fuji Seiki Co., Ltd.	"	"	386,400	21,647	-	21,647	
	Unipassion Technology (Shanghai) Co., Ltd.	"	"	(Note 3)	<u>-</u>	5	<u>-</u>	
					<u>\$ 21,647</u>		<u>\$ 21,647</u>	
Coxon Precise Industrial Co., Ltd.	CGK International Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,800,000	\$ 7,553	-	\$ 7,553	
	Kin Tin Optotronic Co., Ltd.	"	"	2,255,193	-	6	-	
	Simpla Biotech Co., Ltd.	"	"	460,714	-	7	-	
	Cimforce International Limited	Other related parties	"	2,273,172	<u>-</u>	5	<u>-</u>	
					<u>\$ 7,553</u>		<u>\$ 7,553</u>	

Note 1: The Marketable Securities in this table is referred to as shares, bonds, beneficiary certificates, and derivatives related to items mentioned above in scope of IFRS 9 "financial instruments".

Note 2: Please refer to Tables 5 and 6 for information on investments in subsidiaries, associates and joint ventures.

Note 3: As it is a limited company, the shareholding ratio is calculated based on the capital contribution.

Coxon Precise Industrial Co., Ltd. and subsidiaries
Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
2025

Table 3

Units: NT\$thousand

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction and Reasons		Notes/Trade Receivables (Payables)		Remarks
			Purchase/Sale	Amount	Percentage of Purchase (Sale)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Trade Receivables (Payables)	
Coxon Precise Industrial Co., Ltd.	Hang Yuan Enterprise Ltd.	Parent and subsidiary	Purchase	\$ 329,579	43%	120 days	In accordance with mutual agreements	120 days	Trade payables \$ 118,128	37%	
Hang Yuan Enterprise Ltd.	Coxon Industry (Changshu) Co., Ltd.	"	Purchase	329,579	100%	120 days	In accordance with mutual agreements	120 days	Trade payables 118,128	100%	
Hang Yuan Enterprise Ltd.	Coxon Precise Industrial Co., Ltd.	"	Sales revenue	329,579	100%	120 days	In accordance with mutual agreements	120 days	Trade receivables 118,128	82%	
Coxon Industry (Changshu) Co., Ltd.	Hang Yuan Enterprise Ltd.	"	Sales revenue	329,579	26%	120 days	In accordance with mutual agreements	120 days	Trade receivables 118,128	24%	

Note: Related party transactions between the entities of the Group have been adjusted and eliminated.

Coxon Precise Industrial Co., Ltd. and subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
 2025

Table 4

Units: In Thousands of New Taiwan Dollars or Foreign Currencies

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Hang Yuan Enterprise Ltd.	Coxon Precise Industrial Co., Ltd.	Parent and subsidiary	\$ 118,128	-	\$ -	-	\$ -	\$ -
Coxon Industry (Changshu) Co., Ltd.	Hang Yuan Enterprise Ltd.	Associate	118,128	-	-	-	-	-
Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	"	123,640 (Note 1)	-	-	-	-	-

Note 1: Recognized on other receivables.

Note 2: Related party transactions between the entities of the Group have been adjusted and eliminated.

Coxon Precise Industrial Co., Ltd. and subsidiaries
Information on Investees and Location
2025

Table 5

Units: NT\$thousand

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				End of Current Period	December 31, 2020	Number of shares	%	Carrying Amount			
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd.	Samoa	Global investing activities	\$ 1,596,759	\$ 1,596,759	\$ 49,731,054	100	\$ 361,714	(\$ 96,531)	(\$ 96,531)	
	Evergiant Trading Enterprise Co., Ltd.	Samoa	Global investing activities	629,586	629,586	9,400,000	100	<u>1,043,365</u>	68,787	<u>68,787</u>	
								<u>\$ 1,405,079</u>		<u>(\$ 27,744)</u>	
Evergiant Trading Enterprise Co., Ltd.	Hang Yuan Enterprise Ltd.	Samoa	Global investing activities	618,105	618,105	19,000,000	100	<u>\$ 1,042,437</u>	68,630	<u>\$ 68,630</u>	

Note: The share of profits and losses of subsidiaries and associates recognized by the equity method of the subsidiaries included in the consolidated financial report, the investment by the equity method in the account of the investing company and the net equity value of the invested company have been fully offset.

Coxon Precise Industrial Co., Ltd. and subsidiaries
Information on investments in mainland China
2025

Table 6

Units: In Thousands of New Taiwan Dollars or Foreign Currencies

1. Name of the mainland investee, main businesses, paid-in capital, investment method, capital remittance (in and out), shareholding ratio, investment profit and loss, investment book value and repatriation of investment profit or loss:

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of Current Period	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount at the end of the period	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
Changshu Huaxon Industry Co., Ltd. (Note 1)	Leasehold estate	\$ 1,002,998	Investment through third party	\$ 64,270	\$ -	\$ -	\$ 64,270	(\$ 14,654)	100	(\$ 14,654)	\$ 596,568 (Note 4)	\$ -	
Sinxon Plastic (Dong Guan) Ltd. (Note 2)	Manufacturing and sale of nonmetal molding and automobile parts	3,330,854	"	792,138	-	-	792,138	(99,499)	100	(99,499)	385,296 (Note 4)	-	
Coxon Industry (Changshu) Co., Ltd. (Note 1)	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	605,500	"	863,138	-	-	863,138	59,644	100	59,644	379,618 (Note 4)	-	

2. Investment limit in Mainland China:

Units: In Thousands of New Taiwan Dollars and U.S. Dollars

Accumulated Investment in Mainland China at the End of Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 1,719,546	\$ 5,480,403	(Note 3)

Note 1: The Company invested 100% of the ownership of Hang Yuan Enterprise Ltd. through Evergiant Trading Enterprise Co., Ltd. in the third region; Hang Yuan Enterprise Ltd. reinvested 100% of ownership of Coxon Industry (Changshu) Co., Ltd. and Changshu Huaxon Industry Co., Ltd..

Note 2: The Company invested in Sinxon Plastic (Dong Guan) Co., Ltd. through Coxon Industrial Co., Ltd. in the third place and the own funds of its subsidiaries in mainland China.

Note 3: According to the newly revised "Principles for the Review of Investments or Technical Cooperation in the Mainland Area" on August 29, 2008, since the Company has obtained the certification documents issued by the Industrial Bureau of the Ministry of Economic Affairs that conform to the operation scope of the operating headquarters, there is no need to calculate the investment limit.

Note 4: These financial statements have been audited by the CPA of the parent company in Taiwan.

3. Significant transaction matters with investees in Mainland China directly or indirectly through third places: Table 3.

4. Provision of endorsements, guarantees, or collaterals directly or indirectly through ventures in third places for mainland investees: None.

5. Provision of financing facilities provided directly or indirectly through ventures in third places for mainland investees: None.

6. Other transactions that have a significant impact on the profit or loss or financial position for the current period: None.

Coxon Precise Industrial Co., Ltd. and subsidiaries

The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them.
2025

Table 7

Units: NT\$thousand

No. (Note 1)	Counterparty name	Trading counterpart	Relationship with the counterparty (Note 2)	Transaction details			
				Account	Amount	Trading terms (Note 3)	% of consolidated revenue or total assets (Note 4)
0	Coxon Precise Industrial Co., Ltd.	Hang Yuan Enterprise Ltd.	1	Purchase	\$ 329,579	Note	12%
0	Coxon Precise Industrial Co., Ltd.	Hang Yuan Enterprise Ltd.	1	Trade payables	118,128	Note	4%
1	Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	3	Other receivables	123,640	Note	4%
2	Hang Yuan Industrial Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	2	Purchase	329,579	Note	12%
2	Hang Yuan Enterprise Ltd.	Coxon Industry (Changshu) Co., Ltd.	2	Trade payables	118,128	Note	4%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered sequentially by company from Arabic numeral 1.

Note 2: There are three types of relations with the transaction company, just enter the code:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary-to-subsidiary.

Note 3: The terms of sales and purchases with the related parties above have no significant difference from the general customers.

Note 4: Regarding the proportion of transaction amount to the total consolidated revenue or assets, if it is recognized in the balance sheet account, it is shown with the closing balance as a percentage of the total consolidated assets; if it is in the profit or loss account, it is shown with the cumulative amount throughout the period as a percentage of the consolidated total revenue.

Note 5: The standard for disclosure of information on business transactions between the parent company and its subsidiaries above is the amount of income (expenses), sales, and accounts receivable (payable) to related parties that reach NTD 100 million or 20% of the paid-in capital; in addition, transactions with related parties are not disclosed.