Stock Code：1338

Hiroca Holdings Limited
and Subsidiaries
Consolidated financial statements
For the years ended 31 December 2025 and 2024
with Report of independent auditors

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

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Independent Auditors' Report

To the board of directors of Hiroca Holdings Ltd.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. **Revenue recognition**

   Please refer to Note 4(16) to the 2025 consolidated financial statements for the accounting policy on revenue recognition. Please refer to Note 6(19) to the consolidated financial statements for the disclosures of revenue.

   Description of key audit matters:

   Sales revenue is the main indicator for investors and management to evaluate the Group's financial or business performance. As the accuracy of the time point at which revenue was recognized had a significant impact on the financial statements, it was an important matter when we audited the financial statements.

Audit procedures:

Our main audit procedures for the above key audit matter included understanding and testing the effectiveness of the internal control over the sales and collection cycle; testing details; checking the Group's accounting treatment of revenue recognition and evaluating if it was in compliance with relevant rules; randomly selecting sales transactions for a period of time before and after the balance sheet date to check the relevant documents and receipts to evaluate the correctness of the time point at which revenue was recognized. Furthermore, we checked if there were any major returns after the balance sheet date.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from any material misstatements arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to the relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Group.

   The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

   We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

   From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements of the current period. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate specific items in the auditors' report, it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yi-Chun and Chiang, Xiao-Ling.
KPMG

Taipei, Taiwan (Republic of China)

March 13, 2026

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

Hiroca Holdings Ltd. and Its Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		31-Dec-25		31-Dec-24 (Restatement)	
	Assets	Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 2,057,375	15	2,536,409	24
1150	Notes receivables, net (note 6(4),(19))	214,966	2	371,335	3
1170	Accounts receivable, net (note 6(4),(19) and 7)	1,482,344	11	1,502,518	14
1310	Inventories (note 6(5))	857,878	6	732,758	7
1410	Prepayments(note 7)	171,854	1	123,097	1
1476	Other financial assets - current (note 7 and 8)	230,986	2	236,504	2
1479	Other current assets	200,936	1	71,268	1
		5,216,339	38	5,573,889	52
	Non-current assets:				
1521	Non-current financial assets at fair value through other comprehensive income (note 6(3))	188,991	1	113,599	1
1550	Investments accounted for using equity method(note 6 (6))	345,667	3	341,418	3
1600	Property, plant and equipment (note 6(7), 7 and 8)	4,122,672	30	3,656,377	34
1755	Right-of-use assets (note 6(8), 7 and 8)	2,918,327	21	671,145	7
1840	Deferred tax assets(note 6(15))	663,897	5	74,866	1
1980	Other non-current financial assets (note 8)	76,387	1	99,230	1
1995	Other non-current assets (note 7)	117,719	1	136,001	1
		8,433,660	62	5,092,636	48
	Total assets	**13,649,999**	**100**	**10,666,525**	**100**

		31-Dec-25		31-Dec-24 (Restatement)	
	Liabilities and Equity	Amount	%	Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(9))	$ 1,194,933	8	1,136,421	11
2120	Current financial liabilities at fair value through profit or loss(note 6(2),(s) and (12)	59,520	-	42,960	-
2130	Current contract liabilities (note 6(19))	141,628	1	98,829	1
2170	Accounts payable	925,289	7	768,281	7
2180	Accounts payable-Related Party(note 7)	35,892	-	44,094	-
2219	Other payables, others(note 7)	572,330	5	377,450	4
2230	Current tax liabilities	6,992	-	8,378	-
2280	Current lease liabilities (note 6(13) and 7)	78,398	1	99,999	1
2320	Long-term liabilities, current portion (note 6(11))	238,386	2	160,434	2
2305	Bonds payable, current portion (note 6(12))	519,344	4	493,525	4
2399	Other current liabilities (note 6(10))	67,573	-	77,527	1
		3,840,285	28	3,307,898	31
	Non-Current liabilities:				
2540	Non-current portion of non-current borrowings (note 6(11))	519,383	4	757,494	7
2570	Deferred tax liabilities (note 6(15))	621,491	5	69,233	0
2580	Non-current lease liabilities (note 6(13) and 7)	2,459,453	18	182,210	2
2600	Other non-current liabilities	450	-	448	-
		3,600,777	27	1,009,385	9
	Total liabilities	7,441,062	55	4,317,283	40
	Equity attributable to owners of parent:(note 6(16))				
3100	Capital stock	838,400	6	838,400	8
3200	Capital surplus	2,787,090	20	2,787,090	26
	Retained earnings：				
3310	Legal reserve	641,284	5	641,284	6
3320	Special reserve	530,688	4	632,615	6
3350	Unappropriated retained earnings	1,556,853	11	1,700,062	16
		2,728,825	20	2,973,961	28
3400	Other equity	(439,993)	(3)	(530,688)	(5)
3500	Treasury Stock	(92,080)	(1)	(49,515)	
	Total equity attributable to owners of parent:	5,822,242	42	6,019,248	57
	Non-controlling interests:				
36XX	Non-controlling interests	386,695	3	329,994	3
	Total equity	6,208,937	45	6,349,242	60
	Total liabilities and equity	**$ 13,649,999**	**100**	**10,666,525**	**100**

(Please refer to the Notes to the Consolidated Financial Statements)

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

Hiroca Holdings Ltd. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (note 6(19) and 7)**	$ 5,231,666	100	5,087,625	100
5000	**Operating costs(note6(5) and 7)**	4,001,444	76	3,956,748	78
	Gross profit from operations	1,230,222	24	1,130,877	22
	Operating expenses:				
6100	Selling expenses	360,425	7	298,835	6
6200	Administrative expenses	641,205	12	650,661	13
6300	Research and development expenses	285,954	5	265,139	5
6450	Expected credit loss	(13,882)	-	6,421	-
6300	**Total operating expenses**	1,273,702	24	1,221,056	24
	Net operating income (loss)	(43,480)	-	(90,179)	(2)
	Non-operating income and expenses (note 6(20))：				
7100	Interest income	41,574	-	58,462	1
7020	Other gains and losses(Note7)	14,167	-	218,869	4
7050	Finance costs	(136,055)	(3)	(147,975)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(6))	(8,760)	-	(25,787)	-
	Total non-operating income and expenses	(89,074)	(3)	103,569	2
	Profit(loss) before income tax from operations	(132,554)	(3)	13,390	-
7950	**Income tax expenses (note 6(15))**	32,517	-	59,219	1
	Profit (Loss)	(165,071)	(3)	(45,829)	(1)
	Other comprehensive income:				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(2,449)	-	6,779	-
8341	Other components of other comprehensive income that will not be reclassified to profit or loss	20,438	-	240,075	5
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	17,989	-	246,854	5
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	112,222	2	(191,237)	(4)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	112,222	2	(191,237)	(4)
	Other comprehensive income	130,211	2	55,617	1
8500	**Total comprehensive income**	**$ (34,860)**	**(1)**	**9,788**	**-**
	Net profit (loss) attributable to:				
8610	Owners of parent	$ (182,256)	(3)	(95,049)	(2)
8620	Non-controlling interests	17,185	-	49,220	1
		$ (165,071)	(3)	(45,829)	(1)
	Total comprehensive income (loss):				
8710	Owners of parent	$ (91,561)	(2)	6,878	-
8720	Non-controlling interests	56,701	1	2,910	-
		$ (34,860)	**(1)**	**9,788**	**-**
	Earnings per share (NT dollars) (Note 6(17)				
	Basic earnings per share	**$**	**(2.24)**		**(1.14)**
	Diluted earnings per share	**$**	**(2.24)**		**(1.51)**

(Please refer to the Notes to the Consolidated Financial Statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Hiroca Holdings Ltd. and Its Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

		Share capital		Retained earnings			Other equity interest							
		Ordinary share	Capital surplus	Legal reserv	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	$	838,400	2,787,090	641,284	616,649	1,852,997	116,466	(130,361)	(618,720)	(632,615)		6,103,805	327,084	6,430,889
Profit for the year		-	-	-	-	(95,049)	-	-	-	-		(95,049)	49,220	(45,829)
Other comprehensive income for the year		-	-	-	-	-	(132,467)	6,779	227,615	101,927		101,927	(46,310)	55,617
Total comprehensive income for the year		-	-	-	-	(95,049)	(132,467)	6,779	227,615	101,927	-	6,878	2,910	9,788
Appropriation and distribution of retained earnings:														
Legal reserve		-	-		-		-	-	-	-		-	-	-
Special reserve		-	-	-	15,966	(15,966)	-	-	-	-		-	-	-
Cash dividends of ordinary shares		-	-	-	-	(41,920)	-	-	-	-		(41,920)	-	(41,920)
Treasury Stock Repurchase											(49,515)	(49,515)		(49,515)
Balance at December 31, 2024		**838,400**	**2,787,090**	**641,284**	**632,615**	**1,700,062**	**(16,001)**	**(123,582)**	**(391,105)**	**(530,688)**	**(49,515)**	**6,019,248**	**329,994**	**6,349,242**
Profit for the year		-	-	-	-	(182,256)	-	-	-	-		(182,256)	17,185	(165,071)
Other comprehensive income for the year		-	-	-	-	-	74,975	(2,449)	18,169	90,695		90,695	39,516	130,211
Total comprehensive income for the year		-	-	-	-	(182,256)	74,975	(2,449)	18,169	90,695	-	(91,561)	56,701	(34,860)
Appropriation and distribution of retained earnings:														
Special reserve		-	-		(101,927)	101,927	-	-	-	-		-	-	-
Cash dividends of ordinary shares		-	-	-	-	(62,880)	-	-	-	-		(62,880)	-	(62,880)
Treasury Stock Repurchase		-	-	-	-	-	-	-	-	-	(42,565)	(42,565)	-	(42,565)
Balance at December 31, 2025	$	**838,400**	**2,787,090**	**641,284**	**530,688**	**1,556,853**	**58,974**	**(126,031)**	**(372,936)**	**(439,993)**	**(92,080)**	**5,822,242**	**386,695**	**6,208,937**

(Please refer to the Notes to the Consolidated Financial Statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Hiroca Holdings Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

		2025	2024
Cash flows from (used in) operating activities:			
Profit (loss) before tax	$	(132,554)	13,390
Adjustments：			
Adjustments to reconcile profit (loss)			
Depreciation expense		563,687	595,892
Amortization expense		6,414	9,484
Expected credit loss (gain) / Provision for bad debt expense		(13,882)	6,421
Interest expense		136,055	147,975
Interest income		(41,574)	(58,462)
Share of loss (profit) of associates and joint ventures accounted for using equity method		8,760	25,787
Loss (gain) on disposal of property, plan and equipment		21,471	7,946
Net loss (gain) on financial liabilities at fair value through profit or loss		16,011	(60,404)
Warranty provision(reversal of provision)		(3,317)	2,443
Impairment loss		-	-
Total adjustments to reconcile profit (loss)		693,625	677,082
Changes in operating assets and liabilities：			
Changes in operating assets：			
Decrease (increase) in notes receivable		153,223	(60,570)
Decrease (increase) in accounts receivable		92,274	184,174
Decrease (increase) in inventories		(71,887)	67,878
Decrease (increase) in prepayments		(44,777)	(27,051)
Decrease (increase) in other current assets		(121,672)	(16,422)
Decrease (increase) in other financial assets		65,790	(2,048)
Total changes in operating assets		72,951	145,961
Changes in operating liabilities：			
Increase (decrease) in accounts payable		37,473	15,720
Increase (decrease) in other payable		105,144	(107,875)
Increase (decrease) in contract liabilities		22,989	(25,433)
Increase (decrease) in other current liabilities		(4,873)	9,701
Total changes in operating liabilities		160,733	(107,887)
Total changes in operating assets and liabilities		233,684	38,074
Total adjustments		927,309	715,156
Cash inflow (outflow) generated from operations		794,755	728,546
Interest received		41,574	58,462
Interest paid		(110,278)	(123,330)
Income taxes paid		(50,349)	(51,662)
Net cash flows from operating activities		675,702	612,016

(Please refer to the Notes to the Consolidated Financial Statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Hiroca Holdings Ltd. and Its Subsidiaries
Consolidated Statements of Cash Flows(Continued)
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(74,556)	
Acquisition of investments accounted for using equity method	(16,016)	(3,518)
Disposal of investments accounted for using equity method	0	9,884
Acquisition of property, plant and equipment	(946,563)	(415,392)
Proceeds from disposal of property, plant and equipment	258,943	107,475
Acquisition of intangible assets	(1,864)	(3,882)
Cash inflow resulting from the merger	3,904	0
Decrease (increase) in other current financial assets	(32,828)	(110,333)
Decrease (increase) in other non-current assets	2,227	-
Net cash flows from (used in) investing activities	(806,753)	(415,766)
Cash flows from (used in) financing activities：		
Increase (decrease) in short-term loans	50,999	(110,772)
Repayment of bonds	-	(600,000)
Proceeds from issuing bonds	0	-
Cost of issuing bonds paid		-
Proceeds from long-term debt		256,154
Repayments of long-term debt	(186,852)	(28,562)
Payments of lease liabilities	(94,800)	(111,588)
Increase (decrease) in other non-current liabilities		-
Cash dividends paid	(62,880)	(41,920)
Cost from Treasury Stock Repurchase	(42,565)	(49,515)
Other non-current liabilities	(10)	
Net cash flows from (used in) financing activitie	(336,108)	(686,203)
Effect of exchange rate changes on cash and cash equivalents	(11,875)	40,309
Net increase (decrease) in cash and cash equivalents	(479,034)	(449,644)
Cash and cash equivalents at beginning of period	2,536,409	2,986,053
Cash and cash equivalents at end of period	**$** 2,057,375	2,536,409

(Please refer to the Notes to the Consolidated Financial Statements)

Hiroca Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars , Unless Otherwise Specified)

1. Company History

Hiroca Holdings Ltd. (hereinafter referred to as the “Company”) was incorporated in the British Cayman Islands on December 8, 2009 as an investment holding company. It was mainly established for the purpose of organizational restructuring to file an application for public offering to the FSC, Executive Yuan, Republic of China. It issued ordinary shares on December 15, 2009, at a share swap ratio of 5 to 1 to obtain 100% equity of Lofty Success Group Limited. After restructuring, the Company became the parent company of Lofty Success Group Limited. The Group mainly engages in the production and sales of a variety of automotive trim parts, electronic plastic parts, plastic corrugated board, and molds. The Company's stock was approved for listing by Taiwan Stock Exchange Corporation on September 27, 2012 and was officially listed on Taiwan Stock Exchange for trading on December 19, 2012.

2. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors for release on March 13, 2026

3. New standards, amendments and interpretations adopted

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

   - Amendments to IAS21“Lack of Exchangeability”

2. The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

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

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

3. The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ・ A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ・ Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ・ Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendment to IAS 21: "Conversion to a currency with high inflation"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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4. Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, R.O.C.

(2) Basis of preparation

(a) Basis of measurement

Except for the important items in the balance sheet below, the consolidated financial statements have been prepared at historical cost:

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

(ii) Financial asset and liabilities at fair value through profit or loss.

(b) Functional currency and presentation currency

The Group adopts the currency used in the main economic environment in which each system under the Group operates as its functional currency. The Company's functional currency is CNY, but to meet the needs for primary listing on TWSE or TPEx of Republic of China, the Group presented its operating performance and financial position in NT dollars (NTD) on the balance sheet date in accordance with IAS 21; translated the consolidated balance sheet at the spot exchange rate prevailing on the balance sheet date, the consolidated statements of comprehensive income at the average exchange rate during the year, and the capital transactions and other equity items attributable to owners in the consolidated financial statements at the exchange rate prevailing on the transaction dates; recognized the resulting exchange differences in other comprehensive income; all financial information presented in NTD is in thousands. The spot exchange rates of CNY to NTD prevailing on December 31, 2025 and 2024 were 1 CNY to 4.5000 and 4.4780 NTD, respectively. The average exchange rates of CNY to NTD for the year 2025 and 2024 were 1 CNY to 4.3360 and 4.4543 NTD, respectively.

As of December 31, 2025 and 2024, the cumulative exchange losses amounted to NT$372,936 thousand and NT$391,105 thousand, respectively. Please refer to "Other equity items" for details.

(3) Basis of consolidation

(a) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprised of the Company and subsidiaries.

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

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

(b) List of subsidiaries in the consolidated financial statements

Name of investor	**Name of subsidiary**	**Principal activity**	**Share holding**	
			31-Dec-25	**31-Dec-24**
The Company	Lofty Success Group Limited	Holding and sales company(Samoa)	100%	100%
〃	Hiroca Automotive Trim Corporation	R&D, Manufacturing and sales company (Taiwan)	100%	100%
Lofty Success Group Limited	Dongguan Hirosawa Automotive Trim Co., Ltd.	Manufacturing and sales company (China)	100%	100%
〃	Dong Guan Hiroca Automotive Trim Technology Co., Ltd.	R&D and sales company (China)	100%	100%
〃	Hirogen International Limited	General investment business(Samoa)	79%	79%
〃	Hiroyushi Investment Limited	〃	100%	100%
〃	Yoshisawa Investment Limited	〃	100%	100%
〃	Hiroyuki Investment Limited	〃	100%	100%
〃	Hirotai Investment Limited	〃	68.55%	68.55%
〃	Smart Scene Holding Limited	〃	100%	100%
Hiroyushi Investment Limited	Wuhan Hiroyushi Automotive Trim Co., Ltd.	〃	100%	100%
Dongguan Hirosawa Automotive Trim Co., Ltd.	Guangneng Automotive Trim Co., Ltd. (note 1)	Manufacturing and sales company (China)	-%	100%
〃	Hunan Hiroyushi Automotive Trim Co., Ltd.	〃	100%	100%
〃	Kaifeng Hiroyushi Automotive Trim Co., Ltd.	〃	100%	100%
〃	Xianyang Hiroyushi Automotive Trim Co., Ltd.	〃	100%	100%
〃	Conserve&Associates, Inc. (note 2)	〃	100%	-%
Hirotai Investment Limited	Hirotai Automotive Trim SA DE CV	Manufacturing and sales company (Mexico)	100%	100%
Smart Scene Holding Limited	Hirosawa Automotive Trim USA CO.	Manufacturing and sales company (USA)	100%	100%

Note1:Guangneng Automotive Trim Co., Ltd. completed its liquidation process on January 20, 2025.

Note2:The company acquired 100% equity of Conserve&Associates, Inc. on July 1, 2025.

(c) Subsidiaries excluded from the consolidation financial statements: None.

(4) Foreign currency

(a) Foreign currency transaction

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

(i) an investment in equity securities designated as at fair value through other comprehensive income.

(ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(iii) qualifying cash flow hedges to the extent that the hedges are effective.

(b) Foreign operations

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

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

(a) It is expected to be realized, or intended to be sold or consumed, in its normal operating cycle.

(b) It is hold primarily for the purpose of trading.

(c) It is expected to be realized within twelve months after the reporting period, or

(d) The asset is cash or a cash equivalent (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to settle in the normal operating cycle.

(ii) It is held primarily for the purpose of trading.

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(6) Cash and cash equivalents

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

(7) Financial instruments

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

(a) Financial assets

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

Upon initial recognition, financial assets are classified as: financial assets at amortized cost or financial assets at fair value through other comprehensive income. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Financial assets measured at amortized cost

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

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

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

(ii) Fair value through other comprehensive income(FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

· It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instrument investments are subsequently measured at fair value. Dividend income (unless it clearly represents a recovery of part of the investment) is recognized in profit or loss. The remaining net gain or loss is recognized in other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments are recognized on the day the Group becomes entitled to the dividends (usually the ex-dividend date).

(iii) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

· The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
· How the performance of the portfolio is evaluated and reported to the Group' s management;
· The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
· How managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
· The frequency, amount, and timing of financial assets sold in prior periods, the reasons for those sales, and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

(iv) Assessment of whether contractual cash flows are solely payments of principal and interest on the outstanding principal

According to the assessment purpose, the principal is the fair value of an financial asset at the time of initial recognition and the interest consists of the consideration of the following: the time value of money, the credit risk related to the outstanding principal during a specific period, as well as other basic lending risks, costs, and profit margin.

When assessing whether contractual cash flows are solely payments of principal and interest on the outstanding principal, the Group considers the terms of financial instrument contracts, including assessing whether a financial asset contains a contractual term that can change the timing or amount of the contractual cash flows, resulting in its nonconformance with meet this criterium. During the assessment, the Group considers:

· Any contingencies that will change the timing or amount of the contractual cash flows;
· Terms that may cause the coupon rate of a contract to be adjusted, including the characteristics of variable interest rates;

- Early prepayment and deferral features; and
- The Group's right of claim is limited to the terms for the cash flows from specific assets (such as non-recourse features).

(v) Impairment of financial assets

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

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

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

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

The Group considers a financial asset to be in default when the financial asset is more than 210 days past due.

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

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

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

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data：

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default or being more than 210 days past due.
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial

reorganization；or

- the disappearance of an active market for a security because of financial difficulties.

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

An allowance for losses on investments in debt instruments at fair value through other comprehensive income is to have profit or loss adjusted and recognized in other comprehensive income (without the carrying amount of the asset reduced).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(vi) Derecognition of financial assets

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

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(b) Financial liabilities and equity instrument

(i) Classification of debt or equity

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

(ii) Equity instrument

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

(iii) Financial liabilities

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

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

(iv) Derecognition of financial liabilities

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

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

(v) Offsetting of financial assets and liabilities

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

(8) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(9) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in its financial and operating policy decisions without the power to control or jointly control those policies.

The Group adopts the equity method to recognize its equity in an associate. Under the equity method, on initial recognition the investment in an associate is recognized at cost. The carrying amount of an investment in an associate includes the goodwill identified upon initial investment, less any cumulative impairment losses.

The consolidated financial statements include the profit and loss and other comprehensive income of the investment in each associate recognized by the Group in proportion to its equity after their accounting policies are aligned with the Group's from the date of gaining significant influence on them to the date of losing significant influence on them. When a change in equity other than profit and loss and other comprehensive income of an associate does not affect the Group's shareholding, the Group will recognize the equity change under the share of the associate attributable to the Group as capital surplus in proportion to its shareholding.

Unrealized profits and losses arising from transactions between the company and affiliated companies are recognized in the corporate financial statements only to the extent that they are not related to investors' rights and interests in affiliated companies. When the group shall recognize the loss share of the affiliated enterprise proportionally equal to or exceeds its equity in the affiliated enterprise, it shall stop recognizing its losses, and only when a legal obligation, a constructive obligation, or a payment has been made on behalf of the invested company Within the scope, additional losses and related liabilities are recognized.

(10) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement, either a joint operation or a joint venture, has the following characteristics: (a) The parties are bound by a contractual arrangement; (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. As per IFRS 11 "Joint Arrangements", joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, rather than having rights to assets and obligations to liabilities. Those parties are called joint venturers. A joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures unless the entity is exempted from applying the equity method as specified in that standard. Please refer to Note 4(9) for the accounting of the equity method.

The Group shall determine the type of joint arrangement in which it is involved by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement, and other facts and circumstances. If facts and circumstances change, the Group shall reassess whether the type of joint arrangement in which it is involved has changed.

(11) Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

(b) Subsequent cost

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

(c) Depreciation

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

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(i)	Buildings and structures	20 years
(ii)	Machinery and equipment	3 ～13 years
(iii)	Mold equipment	5 years
(iv)	Other equipment	2 ～ 20 years

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

(12) Leases

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

(a) As a lessee

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

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

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

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

(i) fixed payments, including in-substance fixed payments;；

(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date；

(iii) amounts expected to be paid under a residual value guarantee; and

(iv) payments for purchase or termination options that are reasonably certain to be exercised.

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

(i) there is a change in future lease payments arising from the change in an index or rate.

(ii) there is a change in the Group's estimate of the amount expected to be paid under a residual value guarantee.

(iii) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset.

(iv) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option.

(v) there are any lease modifications.

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

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

Short-term leasing and leasing of low-value underlying assets for the leasing of some machinery and equipment and staff dormitories, the Group presents right-of-use that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(b) As a lessor

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

If the Group is a sublessor, it accounts for headlease and sublease transactions separately and classifies sublease transactions based on the right-of-use assets derived from a headlease. If a headlease is a short-term lease to which recognition exemption applies, the sublease transaction derived therefrom should be classified as an operating lease.

If an agreement contains lease and non-lease components, the Company allocates the consideration in the agreement as per IFRS 15.

(13) Intangible assets

(a) Recognition and measurement

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

(b) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(c) Amortization

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

The intangible assets of the company are mainly the cost of acquiring computer software, etc., which are amortized using the straight-line method over an estimated useful life of three to ten years from the time they are ready for use, and the amortized amount is recognized in profit or loss.

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

(14) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(15) Provisions

The recognition of provision is a present obligation due to past events, which makes it probable that the economic resources may flow out from the Company to settle the obligation in the future and the amount of the obligation can be estimated reliably. A provision is discounted at a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the liability, and the amortization of the discount is recognized in interest expense.

A provision for warranty liability is recognized when goods or services are sold and is measured based on historical warranty information and all probable outcomes weighted by respective probabilities.

(16) Revenue recognition

1. Revenue from customer contracts

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Group recognizes revenue when the control over goods or services is transferred to customers and its performance obligations are fulfilled. The main sources of the Group's revenue are as follows:

(1) Sales of goods - automobile trims

The Group manufactures car trims and sells them to automakers. The Company recognizes revenue when control over products is transferred. The transfer of the control over the goods means that the goods have been delivered to clients, who can then fully determine the sales channels and prices of the goods, without any outstanding obligations that will affect clients' acceptance of the goods. Delivery occurs when the goods have been shipped to a specific location with its risk of obsolescence losses passed to the clients, and the clients have accepted the goods in accordance with the sales contracts; the acceptance clause has become invalid, or the Group has objective evidence that all acceptance criteria have been met.

Due to the characteristics of the industry or based on the terms of agreements, after products are sold, the sales that are likely to be discounted due to product defects or practices in the market are first recognized with the total amount, and the sales revenue is written down or recognized as sales discounts and allowances when the discounts are estimated on the date of the event or the balance sheet date and will only recognized as revenue when it is highly probable that no significant reversal will occur. As of the reporting date, the amount expected to be paid to customers due to relevant sales discounts is recognized as a refund liability. The credit period for the sales of car trims is net 30 to 120 days after the end of each month, which is consistent with the practice adopted in the industry, so it does not include any financing elements.

The Group provides a standard warranty for some products and is obliged to refund due to defects and has recognized the obligation in provisions for warranty liabilities. Please refer to Note 4(15) for details.

The Group recognizes accounts receivable when the goods are delivered, at which it has an unconditional right to receive the consideration.

(17) Government grants

When the Group can receive government grants to subsidize the property, plant and equipment, the Group recognizes the unconditional grants as other income. Government grants to compensate for the Group's expenses or losses and relevant expenses in the same period are recognized in profit or loss on a systematic basis.

(18) Employee benefits

1. Defined contribution plan

Contribution obligations to the defined contribution plan are recognized as expenses in the period during which an employee provides services. Prepaid contribution are recognized as an asset to the extent that it will result in a return of cash or a decrease in future payments.

2. Short-term employee benefits

Short-term employee benefits are recognized as expenses when the relevant services are provided. If the Group has a present legal or constructive payment obligation due to an employee's past services and the obligation can be estimated reliably, the amount of benefits is recognized as liabilities.

(19) Income taxes

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

The Group judges that the interest or penalty related to income taxes (including uncertain tax treatment) does not meet the definition of income taxes, so the accounting under IAS 37 applies.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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

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

(a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and

(c) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(20) Business combination

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

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

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

(21) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. Potential dilutive common stock of the company including stock options on convertible corporate bonds

(22) Operating segments

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

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When management prepares the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, it shall make judgments, estimates, and assumptions, which will affect the accounting policies adopted and the amounts of assets, liabilities, income, and expenses presented. Actual results may differ from estimates.

The management continues to monitor the accounting estimates and assumptions. The

management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.
The accounting policies involve significant judgement, and the information with no material impact on the amounts recognized in the consolidated financial statements.
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(5) for further description of the valuation of inventories.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Petty cash and cash on hand	$ 1,986	1,986
Demand deposits	1,221,144	1,221,144
Time deposits	1,313,279	1,313,279
Cash and cash equivalents in the consolidated statement of cash flows	$ 2,536,409	2,536,409

None of the Group’s above financial assets was pledged for collateral or restricted.
Please refer to Note 6(21) for the disclosure of interest rate risk and sensitivity analysis of the Group’s financial assets.

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

	December 31, 2025	December 31, 2024
Financial liabilities at fair value through profit or loss		
Corporate bond option-current	$ 59,520	42,960

For details regarding the issuance of unsecured convertible bonds i by the group, please refer to Note 6(12).
Financial liabilities at fair value through profit or loss please refer to Note 6 (20)
Please refer to Note 6 (21) for the determination of the fair value of the Group’s financial instrument and the credit and exchange rate risks to which financial instruments were exposed.
The Group issued domestic unsecured convertible corporate bonds. As per the domestic unsecured convertible corporate bond issuance rules, the Company and creditors have the option of redemption as per the agreement. Please refer to Note 6(12) for details.

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

		December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income:			
Unlisted company	$	188,991	113,599

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

The Group did not dispose of strategic investments during 2025 and 2024, and the cumulative profits and losses during this period were not reclassified in equity.

The Group acquired Regal Concept Ltd.(Samoa) on September 1, 2025, for a price of US$1,653,000.

On December 29, 2025, the group participated in the capital increase of Conserve & Associates,lnc. investing NT$12,374,000. As of December 31, 2025, it held a total of 13.28% of the shares.

Please refer to Note 6(21) for the information on the credit and the market risks.

None of the above financial assets was pledged for collateral or restricted.

(4) Notes and accounts receivable

		December 31, 2025	December 31, 2024
Notes receivable from operating activities	$	214,966	371,335
Accounts receivable -Measured as amortized cost		1,526,663	1,561,873
Less: Loss allowance		(44,319)	(59,355)
	$	1,697,310	1,873,853

The Group adopts a simplified approach to estimating the expected credit losses for all notes and accounts receivables, which are measured at lifetime expected credit losses. To this end, such notes and accounts receivables are grouped by common credit risk characteristics that represent a customer's ability to pay all amounts due as per the contract terms with forward-looking information incorporated, including the information on the macro economy and relevant industries. The Group’s expected credit loss on the Group’s notes and accounts receivable is as follows:

	December 31, 2025			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	1,549,305	0.39%	2,203
1 to 30 days past due		89,907	2.18%	1,486
31 to 90 days past due		44,535	3.78%	2,570
91 to 150 days past due		14,591	42.10%	1,208
151 to 210 days past due		8,591	85.15%	722
More than 211 days past due		34,700	100%	34,130
	$	1,741,629		44,319

	December 31, 2024			
	Gross carrying amount		Weighted-average loss rate	Loss allowance provision
Current	$	1,733,896	0.39%	6,713
1 to 30 days past due		89,918	2.18%	1,962
31 to 90 days past due		62,732	3.78%	2,371
91 to 150 days past due		15,780	42.10%	6,644
151 to 210 days past due		1,461	85.15%	1,244
More than 211 days past due		40,412	100%	40,421
	$	1,933,208		59,355

The movement in the allowances for losses on the Group's notes and accounts receivable are as follows:

	2025		2024
Balance at January 1	$	59,355	51,536
Impairment loss (gain on reversed)		(13,882)	6,421
Amount written off due to irrecoverability in the current year		(1,029)	-
Effect of movements in exchange rates		(125)	1,398
Balance at December 31	$	44,319	59,355

None of the Group's notes and accounts receivable was pledged for collateral or restricted.

(5) Inventories

	December 31, 2025		December 31, 2024
Raw materials	$	329,702	274,378
Work in progress		21,015	29,146
Finished goods		507,161	429,234
Stock in transit		-	-
	$	857,878	732,758

The details of the Group's costs of sales are as follows:：

	2025		2024
Sales costs	$	3,920,746	3,810,520
Unallocated Manufacturing Overhead		31,162	36,880
Loss on disposal of inventory		28,047	56,166
Inventory valuation and obsolescence loss		54,208	54,208
Gain on disposal of leftover bits and pieces		(5,509)	(4,406)
Inventory shortage		937	937
Others		2,443	2,443
Total	$	4,001,444	3,956,748

None of the Group's inventories was pledged for collateral or restricted.

(6) Investments using the equity method

The Group's investments using the equity method at the balance sheet date are shown below:

	December 31, 2025		December 31, 2024
Affiliates	$	132,471	139,842
Joint ventures		213,196	201,576
	$	345,667	341,418

(a) Affiliates

After evaluation, the Group recognized an impairment loss of NT$5,226 thousand on Dongguan Taica Hirosawa Technologies Co., Ltd in 2023. The company completed liquidation in September 2024 and remitted the remaining share capital of US$313 thousand.

The Group's affiliates using the equity method are not material individually, and their aggregate financial information is as follows, which are the amounts included in the Group's consolidated financial statements:

	December 31, 2025	December 31, 2024
End-of-period consolidated book value of interests in individual insignificant affiliates	$ 132,471	139,842

	2025	2024
Attributable to the company:		
Profit (loss) from continuing operations	$ (7,223)	$ (17,051)
Total comprehensive income	$ (7,223)	$ (17,051)

(b) Joint ventures

In 2024, the company signed a joint venture agreement with SKC Co., Ltd. of South Korea, a non-related party, to jointly invest in a new joint venture company, HS Automotive Trim Co., Ltd. (hereinafter referred to as HS Automotive Trim), to develop Korean automotive-related businesses. The company invested 153,000 thousand KRW (equivalent to approximately NT$3,518 thousand) and acquired 51% of the shares. Pursuant to the Joint Venture Agreement, HS Automotive Trim was structured as a separate vehicle and the Company had a residual interest in the net assets of HS Automotive Trim. Therefore, the Company classified the Joint Venture Agreement as a joint venture and accounted for it using the equity method.

In February 2015, the group participated in the cash capital increase of HS Automotive Trim, subscribing for 714,000 thousand KRW, equivalent to approximately NT$16,016 thousand, in proportion to its shareholding.

Dongguan Karyu Automotive Trim held by the group, was completed liquidation on December 15, 2025.

The Group's joint ventures using the equity method are not individually material, and their aggregate financial information is as follows, which are the amounts included in the Group's consolidated financial statements:

	December 31, 2025	December 31, 2024
End-of-period consolidated book value of interests in individual insignificant joint ventures	$ 213,196	201,576

	2025	2024
Attributable to the company:		
Profit (loss) from continuing operations	$ (1,537)	(8,736)
Total comprehensive income	$ (1,537)	(8,736)

(c) Collateral

None of the Group's investments using the equity method was pledged for collateral or restricted.

(7) Property, plant and equipment

The details of the movements in the costs and depreciation of the Group's property, plant and equipment are as follows:

	Land	Building and construction	Machinery and equipment	Mold equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
Cost or deemed cost:							
Balance on January 1, 2025	$ 94,720	2,333,607	2,443,744	1,389,520	1,514,497	179,219	7,955,307
Additions	-	8,003	118,388	145,362	302,832	537,130	1,111,715
Reclassification	-	-	12,667	46,048	56,596	(151,902)	(36,591)
Disposal	-	(717)	(191,692)	(161,118)	(283,322)	(43,184)	(680,033)
Effect of movements in exchange rates	10,274	39,642	53,514	(32,048)	19,526	27,549	118,457
Balance on December 31, 2025	$ 104,994	2,380,535	2,453,496	1,397,824	1,618,171	548,812	8,503,832
Balance on January 1, 2024	$ 32,870	2,260,351	2,627,030	1,372,802	1,497,617	181,705	7,972,375
Additions	71,849	1,867	41,749	59,953	75,226	72,379	323,023
Reclassification	-	35,454	3,882	25,567	9,184	(78,858)	(4,771)
Disposal	-	-	(250,447)	(119,790)	(99,351)	-	(469,588)
Effect of movements in exchange rates	(9,999)	35,935	21,530	50,988	31,821	3,993	134,268
Balance on December 31, 2024	$ 94,720	2,333,607	2,443,744	1,389,520	1,514,497	179,219	7,955,307
Depreciation and impairment loss							
Balance on January 1, 2025	$ -	629,273	1,574,161	977,260	1,118,236	-	4,298,930
Acquired through corporate merger	-	-	11,905	6,379	6,023	-	24,307
Depreciation for the year	-	110,892	135,594	115,276	98,792	-	460,554
Disposal	-	(275)	(144,735)	(90,466)	(164,143)	-	(399,619)
Reclassification		-	(32)	-	30	-	(2)
Effect of movements in exchange rates	-	18,184	6,021	(34,419)	7,204	-	(3,010)
Balance on December 31, 2025	$ -	758,074	1,582,914	974,030	1,066,142	-	4,381,160
Balance on January 1, 2024	$ -	511,020	1,600,480	908,585	1,066,353	-	4,086,438
Depreciation for the year	-	113,802	149,974	117,525	95,705	-	477,006
Disposal	-	-	(201,308)	(82,901)	(69,958)	-	(354,167)
Effect of movements in exchange rates	-	4,451	25,015	34,051	26,136	-	89,653
Balance on December 31, 2024	$ -	629,273	1,574,161	977,260	1,118,236	-	4,298,930
Carrying amounts:							
Balance on December 31, 2025	$ 104,994	1,622,461	870,582	423,794	552,029	548,812	4,122,672
Balance on January 1, 2024	$ 32,870	1,749,331	1,026,550	464,217	431,264	181,705	3,885,937
Balance on December 31,2024	$ 94,720	1,704,334	869,583	412,260	396,261	179,219	3,656,377

(a) The Group built facilities on the leased land. As the law stipulates that the owner of the property and the party with the land use right shall be the same party, we obtained the property certificate owned by the land use right holder, Qiaotou Tangmian Economic Cooperative in Houjie Town, Dongguan City (hereinafter referred to as "Qiaotou Tangmian Cooperative"), and it agreed that the Group, during the 46-year lease term from April 1, 2009 through March 31, 2055, does not need to pay any rent and should return the ownership to the Qiaotou Tangmian Cooperative at the end of the agreement for free. The details are as follows:

	December 31, 2025	December 31, 2024
Building and construction	$ 79,200	78,813
Less：Accumulated depreciation	(61,479)	(58,518)
Total	$ 17,721	20,295

(b) The Group has built new factories and expanded production lines in various operating entities. As of 2024, the relevant construction and installation projects were still in progress and accounted for as unfinished projects and equipment to be accepted. Please refer to Note 9(1) for details of significant unrecognized contractual commitments associated with the acquisition of property, plant and equipment.

(c) Collateral

Please refer to Note 8 for details of long-term borrowings and financing lines guaranteed.

(8) Right-of-use assets

The Group leases many assets including land, buildings and Machinery and equipment. Information about leases for which the Group as a lessee was presented below:

		Land	Buildings	Machinery and equipment	Total
Cost					
Balance on January 1, 2025	$	468,794	958,990	40,046	1,467,830
Additions		-	2,268,615	3,160	2,271,775
Decrease		-	(57,052)	-	(57,052)
Effect of movements in exchange rates		2,303	85,091	316	87,710
Balance on December 31, 2025	$	471,097	3,255,644	43,522	3,770,263
Balance on January 1, 2024	$	451,940	811,983	39,852	1,303,775
Additions		-	116,106	596	116,702
Decrease		-	-	(1,881)	(1,881)
Effect of movements in exchange rates		16,854	30,901	1,479	49,234
Balance on December 31, 2024	$	468,794	958,990	40,046	1,467,830
Accumulated depreciation losses:					
Balance on January 1, 2025	$	62,075	704,982	29,628	796,685
Depreciation for the year		9,109	90,423	3,601	103,133
Decrease		-	(52,179)	-	(52,179)
Effect of movements in exchange rates		650	3,365	282	4,297
Balance on December 31, 2025	$	71,834	746,591	33,511	851,936
Balance on January 1, 2024	$	50,774	577,956	25,545	654,275
Depreciation for the year		9,358	104,534	4,994	118,886
Decrease		-	-	(1,881)	(1,881)
Effect of movements in exchange rates		1,943	22,492	970	25,405
Balance on December 31, 2024	$	62,075	704,982	29,628	796,685
Carrying amount:					
Balance at December 31, 2025	$	399,263	2,509,053	10,011	2,918,327
Balance at January 1, 2024	$	401,166	234,027	14,307	649,500
Balance at December 31, 2024	$	406,719	254,008	10,418	671,145

Please refer to Note 8 for details of long-term borrowings and financing lines guaranteed.

On August 18, 2023, the group signed a factory lease agreement with Xitou Joint Economic Cooperative of Houjie Town, Dongguan City. The contract period was twenty years from the date of delivery of the factory. The factory was delivered at the end of 2025 and the right-of-use of the factory was recognized as an asset of NT$2,228,320 thousand.

(9) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	$ 1,194,933	1,136,421
Unused credit Lines	$ 864,461	989,987
Range of interest rates	2.58%~5.52%	3.10%~6.30%

The Group's short-term borrowings were not pledged as collateral.

(10) Other current liabilities

The other current liability were summarized as follows:

	December 31, 2025	December 31, 2024
Tax payable	$ 54,837	62,901
Current refund liabilities	9,871	7,956
Current provisions	1,869	5,286
Others	996	1,384
Total	$ 67,573	77,527

The refund liabilities mainly came from the amounts estimated to pay to clients for the return or discounts on automotive trim parts due to defective products or a fall in prices.

(11) Long-term borrowings

The details were as follows:

	December 31, 2025	December 31, 2024
Guaranteed bank loan – maturity date: Dec. 2030	$ 605,947	660,411
Unsecured bank loan – maturity date: April 2027	151,822	257,517
Less: Due within one year	(238,386)	(160,434)
Total	$ 519,383	757,494
Unused credit	$ -	-
Interest rate range	3.40%~6.05%	3.95%~7.08%

1. Collateral for Bank Loans
   For details regarding the collateral provided by the group for long-term bank loans, please refer to Note 8.
2. Explanation of Financial Ratios Stipulated in the Loan Agreement
   According to the loan agreement, the group's unsecured bank loans should be repaid within three years. However, the group's semi-annual financial statements must maintain specific financial ratios. As of December 31, 2024, the merged company had complied with the relevant contract terms and therefore classified the loan as a non-current liability. The ratio of thegroup's total liabilities to its net worth as of December 31, 2025, was affected by factors such as the recognition of NT$2,228,320 thousand in right-of-use assets and lease liabilities due to the effective date of the lease agreement for the Xitou factory of its subsidiary, Dongguan Hirosawa Automotive trim Ltd., in November 2025. This did not meet the financial commitments in the loan agreement, and the loan of NT$50,607thousand was re-classified as a long-term loan

maturing within one year or one operating cycle.

(12) Corporate bonds payable

The details were as follows:

	December 31, 2025	December 31, 2024
Total amount of convertible corporate bonds issued(First)	$ 600,000	600,000
Total amount of convertible corporate bonds issued(Second)	600,000	600,000
Unamortized balance of discounted corporate bonds payable	(80,656)	(106,475)
Cumulative sold-back amount	(598,200)	(598,200)
Cumulative redemption amount	(1,800)	(1,800)
Ending balance of corporate bonds payable	$ 519,344	493,525
Embedded derivatives - options (recognized in financial liabilities at fair value through profit or loss)	$ 59,520	42,960

	2025	2024
Embedded derivatives – gain or loss on options re-measured at fair value (recognized in other gains and losses)	$ (16,011)	60,404
Interest expense	$ 25,777	25,986

In December 2023 and January 2024, the company exercised the bond put right in accordance with the first convertible bond regulations at the request of investors, and sold back a total of 5,982 bonds for a total amount of NT$598,200 thousand. In addition, the merged company exercised its bond redemption right in accordance with the first convertible bond regulations between February 23 and March 23, 2024, and redeemed all of its bonds in cash at par value, totaling NT$1,800 thousand.

The company issued its second convertible bonds on December 1, 2023, totaling 6,000 five-year convertible corporate bonds denominated in New Taiwan dollars. The holders of the corporate bonds may exercise the conversion right at any time between the day following the expiration of three months after the issuance date and the maturity date to convert them into 15,228,426 common shares. Any accrued but unpaid interest as of the exercise date must be paid in cash, otherwise the outstanding principal and interest must be repaid in cash upon maturity. The principal liability (corporate bonds payable) was classified as current liabilities in 2025.

1. The first domestic unsecured convertible corporate bonds

The major rights and obligations attached to the first domestic unsecured convertible corporate bonds issued by the Group on January 19, 2021 are as follows:

1) Bond: The first domestic unsecured convertible corporate bonds.
2) Date of issuance: January 19, 2021.
3) Amount issued: The total amount issued was NT$600,000 thousand.
4) Issuance period: Five years, from January 19, 2021 through January 19, 2026.
5) Coupon rate: 0% per annum.
6) Date and method of principal repayment:

   Except for those that are converted into the Company’s ordinary shares early, redeemed in advance by the Company, or repurchased and canceled by the Company’s securities firm, the bonds will be repaid in cash in a lump sum at the face value on the maturity date.

7) Conversion period:
Creditors may, from the day following the three full months from the date of issuance to the maturity date, request the Company to convert the bonds into the Company’s ordinary shares at any time, except during the book closure period as required by law.

8) Conversion price and adjustment:
The conversion price upon issuance was set at NT$68.8 per share and will be adjusted when the total monetary amount of the Company’s ordinary shares has changed or when the conversion price is lower than the real-time price per share and securities with conversion rights are issued.

9) The Company's right to redeem the convertible corporate bonds:
   (1) From the day following the three full months from the date of issuance to the 40th day before the end of the issuance period, the convertible corporate bonds shall be redeemed when:
      A. When the closing price of the Company’s common stock exceeds the then conversion price by 30% or more for 30 consecutive business days;
      B. When the balance of the outstanding convertible corporate bonds is less than 10% of the initial total amount of bonds issued;
      C. If a bondholder fails to reply in writing to the Company's shareholder service agency before the bond redemption record date stated in the Bond Redemption Notice.

10) Creditor's right to reverse repurchase:
Creditors, after the bonds have been issued for three years, may request the Company to redeem the convertible corporate bonds they hold in cash at the face value of the bonds, plus interest compensation. After accepting the request for redemption, the Company shall make the payment to each creditor by remittance to redeem the convertible bonds within five business days after the reverse repurchase record date.

2. The second domestic unsecured convertible corporate bonds

1) Bond: The second domestic unsecured convertible corporate bonds.
2) Date of issuance: December 1, 2023.
3) Amount issued: The total amount issued was NT$600,000 thousand.
4) Issuance period: Five years, from December 1, 2023 through December 1, 2028.
5) Coupon rate: 0% per annum.
6) Date and method of principal repayment:
Except for those that are converted into the Company’s ordinary shares early, redeemed in advance by the Company, or repurchased and canceled by the Company’s securities firm, the bonds will be repaid in cash in a lump sum at the face value on the maturity date.
7) Conversion period:
Creditors may, from the day following the three full months from the date of issuance to the maturity date, request the Company to convert the bonds into the Company’s ordinary shares at any time, except during the book closure period as required by law.
8) Conversion price and adjustment:
The conversion price upon issuance was set at NT$39.4 per share and will be adjusted when the total monetary amount of the Company’s ordinary shares has changed or when the conversion price is laower than the real-time price per share and securities with conversion rights are issued.

9) The Company's right to redeem the convertible corporate bonds:

From the day following the three full months from the date of issuance to the 40th day before the end of the issuance period, the convertible corporate bonds shall be redeemed when:

A. When the closing price of the Company's common stock exceeds the then conversion price by 30% or more for 30 consecutive business days;

B. When the balance of the outstanding convertible corporate bonds is less than 10% of the initial total amount of bonds issued;

C. If a bondholder fails to reply in writing to the Company's shareholder service agency before the bond redemption record date stated in the Bond Redemption Notice.

10) Creditor's right to reverse repurchase:

Creditors, after the bonds have been issued for three years, may request the Company to redeem the convertible corporate bonds they hold in cash at the face value of the bonds, plus 106.1208% of the bond face value's interest compensation. After accepting the request for redemption, the Company shall make the payment to each creditor by remittance to redeem the convertible bonds within five business days after the reverse repurchase record date.

(13) Lease liabilities

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

	December 31, 2025	December 31, 2024
Current	$ 78,398	99,999
Non-current	$ 2,459,453	182,210

For the maturity analysis, please refer to note 6(21).

The amounts recognized in profit or loss are as follows:

	2025	2024
Interest on lease liabilities	$ 13,372	10,089
Expenses relating to short-term leases	$ 10,951	2,764

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

	2025	2024
Total cash outflow for leases	$ 119,123	124,441

(a) Lease-in of land and buildings

The Group has leased in land and buildings as office premises and factories, with a lease term of four to 50 years.

Some equipment lease agreements contain an option to extend the leases. Such agreements are managed separately by entities in each region, so the individual terms and conditions agreed may differ from those of the agreements managed by the Group. Such options can only be exercised by the Group rather than the lessors. Where it is not reasonably certain that an option to extend the lease term will be exercised, payments related to the term covered by the option are not included in the lease liabilities.

(b) Other leases

The lease term for the machinery and equipment leased by the Group ranges from two to four years.

Also, the lease term for partial machinery and equipment and staff dormitories leased by the Group only lasts for one year. As such leases are short-term leases, the Group elects to apply for the exemption from recognition and does not recognize the relevant right-of-use assets and lease liabilities thereof.

(14) Employee benefits

The subsidiaries in China and America contribute a certain percentage of total salaries to the pension funds on a monthly basis as per local laws and regulations, and the contributions are recognized as current expenses. The Company and other overseas subsidiaries have not stipulated any employee pension regulations as the local laws and regulations do not mandatorily require the formulation of pension regulations.

The defined contribution plan of the Group's subsidiaries in Taiwan is as per the Labor Pension Act, and the Company makes a contribution equal to 6% of each employee's monthly salary to employees' individual pension accounts under the Bureau of Labor Insurance. Under this plan, after the Group's subsidiaries in Taiwan have contributed a fixed amount to the Bureau of Labor Insurance, they have no legal or constructive obligation to pay additional amounts.

(15) Income tax

(a) Tax expenses

The components of income tax in the years 2025 and 2024 were as follows:

		2025	**2024**
Current tax expense:			
Current period	$	49,111	44,289
Adjust the current income tax of the previous period		(137)	3,666
		48,974	47,955
Deferred tax expense：			
Origination and reversal of temporary differences		(16,457)	11,264
Income tax expenses for continuing operations	**$**	**32,517**	**59,219**

Reconciliation of income tax and profit before tax 2025 and 2024 is as follows:

		2025	**2024**
Profit before income tax	$	(132,554)	13,390
Income tax using the Company's domestic tax rate	$	(49,500)	2,757
Recognition of tax losses not recognized in previous periods		(16,671)	(57,400)
Current tax losses for unrecognized deferred tax assets		72,604	71,367
Changes in income tax in prior periods		(137)	3,666
Non-deductible expenses		205	3,195
Others		26,016	35,634
Total	**$**	**32,517**	**59,219**

The Group did not recognize income tax directly in equity in 2025 and 2024

(b) Deferred tax assets and liabilities

(i) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2025	December 31, 2024
Amount not recognized as deferred income tax liabilities	$ 355,989	390,640

(ii) Unrecognized deferred tax assets

	December 31, 2025	December 31, 2024
Tax loss carry forward	$ 407,737	142,471

The above is not recognized in deferred tax assets because it is not highly probable that the Group will have sufficient taxable income in the future for the tax loss.

As of December 31, 2025, the deadlines for using tax losses on deferred tax assets not yet recognized by the Group are as follows:

Loss year	Amount of loss not yet deducted	Year of final deduction
2018	635,313	2028
2019	32,866	2029
2020	14,213	2025~2030
2021	29,108	2026~2031
2022	161,855	2027~2032
2023	187,583	2028~2033
2024	274,276	2029~2034
2025	181,595	2030~2035
Total	$ 1,335,214	

(iii) Recognized deferred tax assets and liabilities

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

	Unrealized investment benefits	Lease	Others	Total
Recognized deferred tax assets				
Balance at January 1, 2025	$ 36,264	32,952	17	69,233
Recognized profit or loss	(8,672)	540,491	(16)	531,803
Exchange rate impact	(150)	20,606	(1)	20,455
Balance at December 31, 2025	$ 27,442	594,049	-	621,491
Balance at January 1, 2024	$ 29,780	53,856	24	83,660
Recognized profit or loss	5,345	(22,791)	(8)	(17,454)
Exchange rate impact	1,139	1,887	1	3,027
Balance at December 31, 2024	$ 36,264	32,952	17	69,233

		Lease	Others	Total
Recognized deferred tax liabilities				
Balance at January 1, 2025	$	32,936	41,930	74,866
Acquired through corporate merger		-	18,950	18,950
Recognized profit or loss		543,236	5,024	548,260
Exchange rate impact		20,709	1,112	21,821
Balance at December 31, 2025	$	596,881	67,016	663,897
Balance at January 1, 2024	$	53,856	46,152	100,008
Recognized profit or loss		(22,807)	(5,911)	(28,718)
Exchange rate impact		1,887	1,689	3,576
Balance at December 31, 2024	$	32,936	41,930	74,866

(16) Capital and other equity

As of December 31, 2025 and 2024, the total number of authorized ordinary shares were NTD1,500,000 thousand dollars, with a par value of NTD10 per share, 83,840 thousand shares were issued. All issued shares were paid up upon issuance.

(a) Capital surplus

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

		December 31, 2025	December 31, 2024
Stock premium	$	2,786,955	2,786,955
Lapsed subscription rights		135	135
	$	2,787,090	2,787,090

It is mainly caused by taking over the capital reserve and retained earnings of the pre-conversion subsidiary after the establishment of the share conversion and issuing new shares at a premium.

(b) Retaining earnings

As per the Articles of Incorporation, where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company’s paid-in capital, setting aside an amount for a special reserve as per the Company’s business needs and laws and regulations, and then any remaining profit, together with any undistributed retained earnings from the beginning of the period, shall be adopted by the Company’s Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders’ meeting for a resolution before distribution.

(i) Special reserve

When the Company distributes the distributable earnings, a special reserve shall be set aside from the current profit or loss and the undistributed earnings for the prior period to make up for the difference between the net deduction of other shareholders’ equity recognized for the year and the balance of the special reserve set aside as mentioned in the preceding paragraph. If it belongs to the deduction of other shareholders' equity accumulated from the prior period, a special reserve shall be set aside from the undistributed earnings from the prior period and shall not be distributed. If there is a subsequent reversal of the amount of the deduction of other shareholders' equity, the earnings may be distributed from the reversed portion.

(ii) Earnings distribution

The general shareholders' meeting resolved a decision to distribute 2024 and 2023 earnings on May 23, 2025 and May 30, 2024. The amounts of dividends to be distributed to owners are as follows:

	2025		2024	
	Amount per share (Dollars)	**Total amount**	**Amount per share(Dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.75	**62,880**	0.50	**41,920**

On March 13, 2026, the company's board of directors proposed a dividends distribution plan for the year 2025. The amount of dividends to be distributed to shareholders is as follows:

	2025	
	Amount per share (Dollars)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.30	**25,152**

(iii) Treasury shares

In 2025 and 2024, pursuant to Article 28-2 of the Securities and Exchange Act, the Company repurchased 1,581,000 and 1,500,000 treasury shares respectively, totaling 3,081,000 shares, to incentivize employees and enhance employee morale, at a cost of NT$42,565 and NT$49,515 thousand respectively. As of December 31, 2025 and 2024, the outstanding shares were 3,081,000 and 1,500,000 respectively.

According to the Company's employee share repurchase and transfer policy, shares repurchased for employee transfers must be transferred within five years from the date of repurchase. Failure to transfer within this period will render the shares as unissued shares and subject to cancellation. The Company's treasury shares cannot be pledged under the Securities and Exchange Act, and no shareholder rights are enjoyed before their transfer.

(i) Other equity interests (net of tax)

		Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Others	Non-controlling interest	Total
Balance as of January 1, 2025	$	(16,001)	(123,582)	(391,105)	329,994	(200,694)
Exchange differences on foreign operations		74,975	-	-	37,247	112,222
Unrealized gains or losses on financial assets at fair value through other comprehensive income		-	(2,449)	-	-	(2,449)
Others		-	-	18,169	2,269	20,438
Non-controlling interest		-	-	-	17,185	17,185
Balance as of December 31, 2025	$	58,974	(126,031)	(372,936)	386,695	(53,298)
Balance as of January 1, 2024	$	116,466	(130,361)	(618,720)	327,084	(305,531)
Exchange differences on foreign operations		(132,467)	-	-	(58,770)	(191,237)
Unrealized gains or losses on financial assets at fair value through other comprehensive income		-	6,779	-	-	6,779
Others		-	-	227,615	12,460	240,075
Non-controlling interest		-	-	-	49,220	49,220
Balance as of December 31, 2024	$	(16,001)	(123,582)	(391,105)	329,994	(200,694)

(17) Earnings per share

The Group's basic earnings per share and diluted earnings per share are as follows:

		2025	2024
Basic earnings per share			
Loss belonging to common shareholders	$	(182,256)	(95,049)
Weighted average number of outstanding shares of common stock (in thousand shares)		81,339	83,435
Basic earnings per share (in NTD)	$	(2.24)	(1.14)
Diluted earnings per share			
Loss belonging to common shareholders	$	(182,256)	(95,049)
Impact of convertible corporate bonds(Note)		-	(53,678)
Profit belonging to common shareholders	$	(182,256)	(148,727)
Weighted average number of outstanding shares of common stock		81,339	83,435
Impact of convertible corporate bonds(Note)		-	15,228
Weighted average number of common stock (diluted) (in thousand shares)		81,339	98,663
Diluted earnings per share (in NTD)(Note)	$	(2.24)	(1.51)

Note: In 2024, the effect of convertible corporate bonds and employee stock remuneration was anti-dilution, so it was ignored in the calculation of diluted earnings per share.

(18) Employee remuneration and directors' remuneration

As per the Company's Articles of Incorporation, where the Company makes a profit for a year, it shall set aside no higher than 7% and no lower than 3% for employee remuneration and no higher than 3% for directors' remuneration. However, if the Company still has a cumulative deficit, it shall reserve an amount to make up for it in advance. The recipients of the employee remuneration in stock or cash in the preceding paragraph include employees at affiliates who meet certain criteria.

The company suffered a loss in 2025 and 2024, so employee remuneration and director remuneration were not estimated. Based on the Company's net income before tax for the period before the employee remuneration and the directors' remuneration were deducted, multiplied by the percentages for the distribution of employee remuneration and directors' remuneration as specified in the Articles of Incorporation. These remunerations and bonuses were expensed under operating expenses for each period. Related information would be available at the Market Observation Post System website. The amounts stated in the parent company only financial statements are identical to those of the actual distributions for 2024 and 2023.

(19) Revenue from customer contracts

(a) Details of revenue

		2025	2024
Major regional markets:			
Mainland China	$	3,487,151	3,540,084
America		898,096	877,186
Others		846,419	670,355
	$	**5,231,666**	**5,087,625**
Main products:			
Automotive spare parts	$	5,009,450	4,852,980
Others		222,216	234,645
	$	**5,231,666**	**5,087,625**

(b) Contract balance

		December 31, 2025	December 31, 2024	December 31, 2023
Notes and accounts receivable	$	1,741,629	1,933,208	2,022,658
Less: Allowance		(44,319)	(59,355)	(51,536)
Total	**$**	**1,697,310**	**1,873,853**	**1,971,122**
Contract balance	**$**	**141,628**	**98,829**	**80,040**

Please refer to Note 6(4) for the disclosure of notes and accounts receivable and the impairment thereof.

The opening balances of contract liabilities as at January 1, 2025 and 2024 recognized as revenue for the year 2025 and 2024 amounted to NT$89,467 thousand and NT$59,205 thousand, respectively.

(20) Non-operating income and expenses

(a) Interest income

The details of the Group's interest income are as follows:

	2025	2024
Interest income	$ 41,574	58,462

(b) Other gains and losses

The details of the Group's other gains and losses are as follows:

	2025	2024
Foreign exchange gains (losses)	$ (37,465)	102,705
losses on disposals of property, plant and equipment	(16,011)	60,404
Gains (losses) on financial liabilities at fair value through profit or loss	(21,471)	(7,946)
Rental income	29,453	48,115
Others	59,661	15,591
	$ 14,167	218,869

(a) Financial costs

The details of the Group's financial costs are as follows:

	2025	2024
Interest expense	$ 136,055	147,975

(21) Financial instruments

(a) Credit risk

(i) Credit risk of receivables

Please refer to Note 6(4) for the information on the exposure of notes and accounts receivable to the credit risk.

Other financial assets at amortized cost include other receivables and certificates of deposit.

Interest receivable and certificates of deposit from those who are not related parties are other financial assets with low credit risk, so an allowance for losses for the period is measured at 12-month expected credit losses.

Other financial assets belonging to related parties mainly include loans, rent receivables and advances on behalf of others. The Group has been assessed to have no significant impairment.

(b) Liquidity risk

The table below indicates the contractual maturity dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

	Carrying amount	Contract ualcash flows	Within 6 month	6-12 month	1-2 year	2-5 year	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Secured bank loans	$ 605,947	705,492	56,382	55,648	138,062	455,400	-
Unsecured bank loans	1,346,755	1,345,802	1,234,076	111,726	-	-	-
Bonds payable	519,344	600,000	600,000	-	-	-	-
Accounts payable	961,181	961,181	961,181	-	-	-	-
Payable on equipment and other payables	572,330	572,330	572,330	-	-	-	-
Lease liability	2,537,851	3,211,144	78,174	82,014	157,542	458,738	2,434,676
Non-current financial liabilities at fair value through profit or loss	59,520	-	-	-	-	-	-
	$ 6,602,928	7,395,949	3,502,143	249,388	295,604	914,138	2,434,676
December 31, 2024							
Non-derivative financial liabilities							
Secured bank loans	$ 660,411	788,420	42,991	42,597	112,429	440,936	149,467
Unsecured bank loans	1,393,938	1,437,906	1,173,928	96,591	113,127	54,260	-
Bonds payable	493,525	600,000	600,000	-	-	-	-
Accounts payable	812,375	812,375	812,375	-	-	-	-
Payable on equipment and other payables	377,450	377,450	377,450	-	-	-	-
Lease liability	282,209	363,537	62,533	46,982	32,355	64,530	157,137
Non-current financial liabilities at fair value through profit or loss	42,960	-	-	-	-	-	-
	$ 4,062,868	4,379,688	3,069,277	186,170	257,911	559,726	306,604

The Group does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier or that the actual amounts will be significantly different.

(c) Market risk

(i) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to significant foreign-currency exchange rate risk are as follows:

		December 31, 2025				
		Foreign currency	**Exchange rate**	**CNY (Functional currency)**	**Exchange rate**	**NTD (Express currency)**
	Financial assets					
	Monetary items					
	USD	$ 35,395	USD:RMB 7.0288	248,784	4.5000	1,119,528
		11,393	USD:MXN 17.9670	204,698	1.7604	360,350
	NTD	3,121	NTD:RMB 0.2222	693	4.5000	3,119
	Financial liabilities					
	USD	43,820	USD:RMB 7.0288	308,002	4.5000	1,386,009
	NTD	523,415	NTD:RMB 0.2222	116,303	4.5000	523,364

		December 31, 2024				
		Foreign currency	**Exchange rate**	**CNY (Functional currency)**	**Exchange rate**	**NTD (Express currency)**
	Financial assets					
	Monetary items					
	USD	$ 30,980	USD:RMB 7.1884	222,697	4.4780	997,237
		16,181	USD:MXN 20.2684	327,963	1.5882	520,871
	NTD	4,172	NTD:RMB 0.2233	932	4.4780	4,172
	Financial liabilities					
	USD	40,001	USD:RMB 7.1884	287,543	4.4780	1,287,618
	NTD	493,525	NTD:RMB 0.2233	110,211	4.4780	493,525

(ii) Sensitivity analysis

The exchange rate risk of the Group's currency items mainly comes from cash and cash equivalents denominated in foreign currencies, accounts receivable and other receivables, borrowings, as well as accounts payable and other payables, from which foreign currency exchange gains and losses arise during translation. On December 31, 2025 and 2024, when the CNY depreciated or appreciated by 5% against the USD and the NTD, with all other factors held constant, the effect on the net income (loss) after tax for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
USD(against CNY and MXN)		
Appreciated 5%	$ 3,520	8,643
Depreciated 5%	(3,520)	(8,643)
NTD(against CNY)		
Appreciated 5%	(19,511)	(18,351)
Depreciated 5%	19,511	18,351

(iii) Exchange gains or losses on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gains or losses on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain or (losses) (including realized and unrealized portions) amounted to $(37,465) thousand and $102,705 thousand, respectively.

(iv) Interest rate risk

The exposure of the Group's financial assets and financial liabilities to interest rate risk is described in liquidity risk management in this note.

The sensitivity analysis below is based on the exposure of derivative and non-derivative instruments to interest rate risk at the balance sheet date. For floating-rate liabilities, the analysis is based on an assumption that the amount of a liability outstanding at the balance sheet date is outstanding throughout the year. The sensitivity to a 1% (100 basis points) change in the interest rate is used when reporting the interest rate risk internally to the key management personnel and also represents management's assessment of the reasonably possible change in interest rates.

If the interest rate increases (decreases) by 1% (100 basis points), the Group's net profit after tax would have decreased (increased) by $7,223 thousand and $6,249 thousand for the years ended December 31, 2025 and 2024, respectively, all other variable factors that remain constant. This is mainly due to the Group's demand deposit and loan in floating rates.

(v) Fair value of financial instruments

(i) Categories and fair value of financial instruments

The Group’s financial liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of various types of financial assets and financial liabilities (including fair value level information, but the information on the financial instruments not at fair value with their carrying amounts being the reasonable approximations of their fair values and the fair values of lease liabilities is not required to be disclosed as per regulations) are listed below:

	December 31, 2025				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income	$ 188,991	-	-	188,991	188,991
Financial assets at amortised cost					
Cash and cash equivalents	2,057,375	-	-	-	-
Notes and accounts receivable	1,697,310	-	-	-	-
Other financial assets	307,373	-	-	-	-
Subtotal	4,062,058	-	-	-	-
Total	**$ 4,251,049**	**-**	**-**	**188,991**	**188,991**
Financial liabilities at fair value through other comprehensive income	$ 59,520	-	59,520	-	59,520
Financial assets at amortised cost					
Bonds payable	519,344	-	-	-	-
Bank loan	1,952,702	-	-	-	-
Accounts payable	961,181	-	-	-	-
Payable on equipment and other payable	572,330	-	-	-	-
Lease liabilities	2,537,851	-	-	-	-
Subtotal	6,543,408	-	-	-	-
Total	**$ 6,602,928**	**-**	**59,520**	**-**	**59,520**

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 113,599	-	-	113,599	113,599
Financial assets at amortised cost					
Cash and cash equivalents	2,536,409	-	-	-	-
Notes and accounts receivable	1,873,853	-	-	-	-
Other financial assets	335,734	-	-	-	-
Subtotal	4,745,996	-	-	-	-
Total	$ 4,859,595	-	-	113,599	113,599
Financial liabilities at fair value through other comprehensive incomed	$ 42,960	-	42,960	-	42,960
Financial assets at amortised cost					
Bonds payable	493,525	-	-	-	-
Bank loan	2,054,349	-	-	-	-
Accounts payable	812,375	-	-	-	-
Payable on equipment and other payable	377,450	-	-	-	-
Lease liabilities	282,209	-	-	-	-
Subtotal	4,019,908	-	-	-	-
Total	$ 4,062,868	-	42,960	-	42,960

(ii) Fair value valuation techniques for financial instruments at fair value

(2.1) Non-derivative financial instruments

When a financial instrument is quoted in an active market, the quoted price in the active market is the fair value. The market prices announced by major exchanges and Taipei Exchange that sells popular bonds are the basis for the fair values of listed equity instruments and debt instruments with quoted prices in the active markets.

A financial instrument is deemed to be with quoted prices in the active markets if its quoted prices can be obtained from exchanges, brokers, underwriters, industry associations, pricing services institutions, or competent authorities in a timely and regular manner, and the prices represent the prices in actual fair market transactions that occur frequently. If the above criteria are not met, the market is deemed inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

Except for the above financial instruments with active markets, the fair values of other financial instruments are obtained through valuation techniques or with reference to the quoted prices by counterparties. The fair value obtained through valuation techniques may be calculated and obtained with reference to the present fair value of other financial instruments with substantively similar criteria and characteristics, discounted cash flow method, or other valuation techniques, including the use of models based on market information available at the consolidated balance sheet date.

If there is no active market for a financial instrument held by the Group and its fair value is listed by category and attribute below:

Equity instruments without quoted prices: Their fair values were estimated using the comparable company method, and the main assumptions were made based on each investee's book value per share, multiplied by a percentage of the earnings deduced from the market quotes of comparable publicly listed companies at home and abroad. Such an estimate has been adjusted for the effect of discounts on equity securities without adequate liquidity in the market.

(2.2) Derivative financial instruments

It is valuated with the valuation model widely accepted by users in the market. Derivative financial instruments are valuated with appropriate option pricing models.

(iii) Transfer between Level 1 and Level 2 fair values

There was no transfer between Level 1 and Level 2 fair values in 2025 and 2024.

Movement in Level 3 fair value

	Fair value through other comprehensive income
	Unquoted equity instrument
Balance as of January 1, 2025	$ 113,599
Total gains and losses recognized:	74,556
In other comprehensive income	
Exchange rate impact	(2,449)
Balance as of December 31, 2025	3,285
Balance as of January 1, 2024	**$ 188,991**
Total gains and losses recognized:	$ 102,945
In other comprehensive income	
Reclassification (Note)	6,779
Purchase	3,875
Balance as of December 31, 2024	**$ 113,599**

Note: Please refer to Note 6(6) for details.

The above total gains or losses are recognized in "Other gains or losses" and "Unrealized gains (losses) on financial assets at fair value through other comprehensive income". Among them, those related to the assets still owned in 2025 and 2024 are as follows:

	2025	2024
Total gains and losses recognized		
Recognized in other comprehensive gains(losses)	$ (2,449)	6,779
List in "Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income」 and others		

(iv) Quantitative information on the measurement of significant unobservable fair value inputs

The Group's Level 3 fair value mainly includes financial assets at fair value through other comprehensive income.

Most of the Group's fair values are classified as Level 3 with only a single significant unobservable input, and only equity instrument investments without an active market bear multiple significant unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are independent of each other and therefore do not correlate.

Quantitative information on significant unobservable fair value inputs is as follows:

Item	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	·Price-to-sales ratio (1.68 and 1.71 as of 2025.12.31 and 2024.12.31, respectively) ·Price-to-book ratio (2.72 and 2.69 as of 2025.12.31 and 2024.12.31, respectively) ·EV/SALES (1.81 and 1.76 as of 2025.12.31 and 2024.12.31, respectively) ·Discount for lack of marketability (20%–25% as of both 2025.12.31 and 2024.12.31)	·The higher the ratio, the higher the fair value ·The higher the discount for lack of marketability, the lower the fair value
Financial liabilities at fair value through profit or loss - embedded derivative - put option	Binomial tree model for valuation of convertible bonds	·Volatility (23.33% and 21.26% as of 2025.12.31 and 2024.12.31, respectively)	·The higher the volatility, the higher the fair value

(v) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The fair value measurements of the Group's financial instruments are reasonable. However, changes in the use of valuation models or valuation variables may affect the estimations. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effect on other comprehensive income:

	Input	Increase or decrease	Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2025				
Financial assets at fair value through other comprehensive income				
Investments in equity instruments without an active market	Price-to-book ratio& EV/SALES	3%	$ 1,757	(1,757)
Investments in equity instruments without an active market	Discount for lack of marketability	3%	2,739	(2,739)
			$ 4,496	**(4,496)**
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Investments in equity instruments without an active market	Price-to-book ratio& EV/SALES	3%	$ 1,100	(1,100)
Investments in equity instruments without an active market	Discount for lack of marketability	3%	1,801	(1,801)
			$ 2,901	**(2,901)**

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

(22) Financial risk management

(a) Overview

The Group have exposures to the following risks from its financial instruments:

(1) credit risk

(2) liquidity risk

(3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(b) Structure of risk management

The Group’s Finance Department provides services for each business, coordinates operations in domestic and international financial markets, and monitors and manages the financial risks related to the Group’s operations as per the internal risk report on the analysis of internal risk exposures based on risk levels and breadth. The use of derivative financial instruments is regulated by the policies approved by the Board of Directors, including the written principles of exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment with remaining liquidity. Internal auditors continue to verify the compliance with policies and the maximum exposures. The Group does not trade financial instruments (including derivative financial instruments) for speculative purposes.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

(1) Accounts receivable and other receivables

The Group's exposure to credit risk mainly arises from each client's situation. However, management also considers the data on its client base, including the risk of default in each client's industry and country, as such factors may affect credit risk. About 27% and 36% of the Group's 2025 and 2024 revenue came from sales to two groups.

The Group has established a credit policy, as per which the Group analyzes each new client's credit rating before setting standard payment and delivery terms and conditions for them. The Group's review covers external ratings, if available, and, in some cases, notes sent by banks. Each procurement limit is set for each client and regularly reviewed.

When the Group monitors the credit risk from clients, it is grouped according to the clients' credit characteristics. The main clients of the Group's accounts receivable and other receivables are international joint venture automakers in mainland China (established jointly by foreign and China's investors) and local independent car brands in mainland China. To reduce credit risk, the Group continues to regularly evaluate the clients' financial position but usually does not require them to provide collateral.

The Group has provided an allowance for bad debts to reflect its estimate of incurred losses on accounts receivable, other receivables, and investments. The main components of the allowance for losses account include specific losses related to each significant exposure and combined losses established for incurred but unidentified losses from a group of similar assets. The allowance for combined losses account is determined based on the data on historical payments for similar financial assets.

(2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions, with good credit rating. The Group expects the counterparties above to meet their obligations; hence, there is no significant credit risk arising from these counterparties.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors cash flow needs and optimal return on investment in cash. Generally speaking, the Group ensures that there is sufficient cash to cover expected operating expenditure for 60 days, including the fulfillment of financial obligations and excluding potential impacts that cannot be reasonably expected under extreme circumstances, such as natural disasters. Moreover, the Group's undrawn borrowing facilities as of December 31, 2025 and 2024 amounted to NT$864,461 thousand and NT$987,987 thousand, respectively.

(e) Market risk

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

Exchange rate risk

The Group is exposed to exchange rate risk arising from sales, procurement, and borrowings that are not denominated in its functional currencies. The Group's functional currency is CNY. The main currencies, in which such transactions are denominated, are USD and JPY.

Interest on borrowings is denominated in the loan principal currency. Generally speaking, the borrowings are denominated in the same currency as the cash flows arising from the Group's operations, primarily USD. As such, it provides financial hedging without a need to trade derivatives, so hedge accounting is not adopted.

As for monetary assets and liabilities denominated in other foreign currencies, when a short-term imbalance occurs, the Group will buy or sell foreign currencies at the spot exchange rate to ensure that the net exposure remains at an acceptable level.

(23) Capital management

The Group has drawn up a capital management plan based on the industry characteristics and future business development, as well as factors of changes in the external environment, to ensure that it has the necessary financial resources and a complete business plan to provide future working capital, capital expenditure, and research and development expenses, repay debts, and pay out dividends. Competent authorities adopt an appropriate debt-to-equity ratio or other financial ratios to determine the Group's optimum capital. While maintaining a solid foundation for capital, the Group will optimize the debt and equity balances to increase return on equity.

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

	December 31, 2025	December 31, 2024
Total liabilities	$ 7,441,062	4,317,283
Less: cash and cash equivalents	(2,057,375)	(2,536,409)
Net debt	**$ 5,383,687**	**1,780,874**
Total equity	**$ 6,208,937**	**6,349,242**
Debt-to-equity ratio	**86.71%**	**28.05%**

As of December 31, 2025, the Group's capital management method did not change.

(24) Financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities for the years ended December 31, 2025 and 2024 were as follows:

			Non-cash changes			
	January 1, 2024	**Cash flows**	**Changes in lease**	**Foreign exchange movement and others**	**Changes in fair value**	**December 31, 2024**
Long-term borrowings	$ 917,928	(186,852)	-	26,693	-	757,769
Short-term borrowing	1,136,421	50,999	-	(43,487)	-	1,143,933
Lease liabilities	282,209	(94,800)	2,271,775	78,667	-	2,537,851
Bonds payable	493,525	-	-	25,819	-	519,344
Total liabilities from financing activities	**$ 2,830,083**	**(230,653)**	**2,271,775**	**87,692**	**-**	**4,958,897**

			Non-cash changes			
	January 1, 2023	Cash flows	Changes in lease	Foreign exchange movement and others	Changes in fair value	December 31, 2023
Long-term borrowings	$ 664,347	227,592	-	25,989	-	917,928
Short-term borrowing	1,202,921	(110,772)	-	44,272	-	1,136,421
Lease liabilities	267,108	(111,588)	116,702	9,987	-	282,209
Bonds payable	1,002,839	(600,000)	-	90,686	-	493,525
Total liabilities from financing activities	$ 3,137,215	(594,768)	116,702	170,934	-	2,830,083

7. Related-party transactions:

A. Names and relationship with related parties

the consolidated financial statements, the related parties with transactions with the Group are as follows:

Name of related party(simple name)	Relationship with the Group
Dongguan Karyu Automative Trim Co., Ltd ("Dongguan Karyu")	Join Ventures (Note1)
Suzhou Hiroyuki Automotive Trim Co., Ltd. ("Suzhou Hiroyuki")	Join Ventures
Dongguan Fongyi Precision Mold Co., Ltd. ("Dongguan Fongyi")	Other related-party
Dongguan Conserve & Associates, Inc. ("Dongguan Conserve & Associates")	Other related-party (Note2)
Jinya Dian Technology Co., Ltd ("Jinya Dian")	Other related-party
Jiangmen Tsukada Riken Automotive Trim Co., Ltd. (Jiangmen Tsukada Riken)	Other related-party
Dongguan Jing Wang Electronic Co.,Ltd. ("Dongguan Jing Wang")	Other related-party
Dongguan Taica Hirosawa Technologies Co., Ltd ("Taica Hirosawa")	Join Ventures (Note3)
Losang-Hirosawa mold Co.Ltd ("Losang-Hirosawa")	An affiliate of the Group
Dongguan Mono Automotive Trim Co. ("Dongguan Mono")	An affiliate of the Group
WIN INC("WIN")	An affiliate of the Group
Shin Shi Technology Co., Ltd	An affiliate of the Group

Note1:The liquidation took place in December 2025. Please refer to Note 6(6) for details.
Note2:Since becoming a subsidiary of the merged company on July 1, 2025, related party transactions are only disclosed up to that date. Please refer to Note 4(3) for details.
Note3: The liquidation took place in September 2024. Please refer to Note 6 (6) for details.

B. Significant transactions with related parties

(a) Operating revenue

The Group's significant sales to related parties are as follows:

	2025	2024
Join Ventures	$ 200,912	24,596
Other related parties	4,765	6,684
Affiliates	265	210
	$ 205,942	31,490

The products sold by the Group to related parties are different from those to non-related parties, so there is no comparable transaction price available. The payment term for related parties ranges

from 30 days to 120 days after the end of each month, while that for general clients ranges from 30 days to 120 days after the end of each month (for plastic parts) and that for molds is negotiated and agreed by both parties.
The Group did not receive collateral for receivables from related parties and determined that no allowance for bad debt was required.

(b) Purchases

The amounts of purchases by the Group from related parties are as follows:

		2025	2024
Other related parties	$	204,601	65,995
Join Ventures		16,506	28,835
Affiliates		25,315	17,638
	$	246,422	112,468

There is not comparable transaction counterparty available for the Group's purchases from related parties. The payment term for related parties ranges from 30 ~ 60 days or is negotiated and agreed upon by both parties, and the payment term for general suppliers is mainly 30–90 days after the end of each month.
To avoid the repeated calculation of the above purchase and sales, the Group presented the income and costs of the sales of raw materials and semi-finished goods to affiliates and other related parties in net amounts. When the affiliates completed the processing and manufacturing and sold them back to the Group for resale, the relevant operating revenue and costs were initially recognized, but the receivables and payables failed to meet the conditions for derecognition, so they were still listed in an aggregate manner.

(c) Others

The Group entrusted affiliates, joint ventures, and other related parties for in 2025 and 2024 payments for processing and purchases of miscellaneous items and paid them NT$2,218 thousand and NT$1,649 thousand, respectively.

(d) Receivables from related parties

The details of the Group's receivables from related parties are as follows:

Account	Relationship		December 31 2025	December 31 2024
Accounts receivable	Join Ventures	$	150,956	23,420
Accounts receivable	Other related parties		4,940	568
Accounts receivable	Affiliates		-	84
Other current financial assets	Affiliates		16,497	18,448
Other current financial assets	Other related parties		1,091	2,940
Other non-current financial assets	Join Ventures		3,473	1,590
		$	176,957	47,050

Note: Other financial assets - current and non-current mainly refer to the sales of equipment, rental income, and others.

(e) Payables to related parties

The details of the Group's payables to related parties are as follows:

Account	Relationship	December 31 2025	December 31 2024
Accounts payable	Other related parties	$ 18,645	20,006
Accounts payable	Join Ventures	7,715	14,875
Accounts payable	Affiliates	9,532	9,213
Other payables	Other related parties	2,502	2,167
Other payables	Affiliates	1,796	2,163
		$ 40,190	**48,424**

(f) Other non-current assets

	December 31 2025	December 31 2024
Join Ventures	$ -	789
Other related parties	-	423
	$ -	**1,212**

(g) Prepayments

The details of the Group's prepayments to related parties are as follows:

	December 31 2025	December 31 2024
Other related parties - Dongguan Jing Wang	$ 32,030	31,346
Other related parties	1,761	8,202
Affiliates	740	4,058
	$ 34,531	**43,606**

(h) Lease

The company leased factory premises from its related party, Shin Shi Technology Co., Ltd, on May 5, 2024 and January 1, 2025, respectively, and signed lease agreements with reference to the rental rates of factory premises in the surrounding area. The lease term is 5 years, and upon expiration of the aforementioned lease term, it has the priority right to renew the lease for another 5 years. The total contract prices were NT$114,409 thousand and NT$35,393 thousand, respectively, recorded as right-of-use assets, while lease deposits of NT$3,818 thousand and NT$1,181 thousand, respectively, were recorded as other financial assets – non-current. As of December 31, 1925, the outstanding lease liabilities were NT$101,540 thousand and NT$32,852 thousand, respectively.

(i) Property transactions

1) Acquisition of property, plant and equipment

The aggregate information on the prices of property, plant and equipment acquired by the Group from related parties is as follows:

	2025	2024
Affiliates	$ 5,856	7,797
Other related parties	7,461	5,397
	$ 13,317	**13,194**

2) Disposition of property, plant and equipment

The summary of the Group's sale of real estate, plant and equipment to related parties in a general manner is as follows:

	2025			2024	
Relationship		Disposition price	Disposition gains(losses)	Disposition price	Disposition gains(losses)
Join Ventures	$	9,627	2,071	-	-
Affiliates		-	-	7,572	1,924
Other related parties		163	-	-	-
	$	9,790	2,071	7,572	1,924

(j) Rental income

		2025	2024
Affiliates	$	2,963	6,297
Other related parties		3,861	5,830
Join Ventures		509	662
	$	7,333	12,789

The above income is from the offices and factories leased to affiliates, other related parties, and the Group's joint ventures. The payment term is 30 days after the end of each month, and the transaction prices were not significantly different from those with non-related parties.

(k) Loans to related parties (accounted for under other financial assets - current)

The drawdown expenditures of the loans from the Group to related parties is as follows:

		December 31, 2025	December 31, 2024
Other related parties - Dongguan Conserve & Associates	$	-	43,687
Affiliates - Dongguan Mono		23,247	23,133
	$	23,247	66,820

The interest on the loans from the Group related parties was accrued at 3.10% to 3.45% per annum, and they were all unsecured. After the Group's assessment, there was no need to set aside an allowance for bad debt.

C. Transactions with key personnel

The remuneration to key management personnel includes:

		2025	2024
Short-term employee benefits	$	30,547	31,668

8. Assets Pledged

The details of the book value of the assets pledged by the Group are as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Land（Right-of-use Asset）, Property, plant and equipment	Guarantees for bank Loan	$ 967,781	1,009,526
Guarantee deposits paid (Accounting for Other current financial assets)	Guarantees for bank Loan	60,815	-
Guarantee deposits paid (Accounting for Other non-current financial assets)	Lease Deposit	76,387	99,230
		$ 1,104,983	1,108,756

9. Material Contingent Liabilities and Unrecognized Contractual Commitments

1.The Group's unrecognized contractual commitments are as follows:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	$ 283,765	229,813

10. Major Disaster Loss: None.

11. Material Events After the Balance Sheet Date: None.

12. Others

(a) Employee benefits and depreciation and amortization expenses are summarized by function as follows:

By function / By item	2025			2024		
	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	737,876	434,175	1,172,051	666,402	403,562	1,069,964
Labor and health insurance	40,275	11,179	51,454	33,369	12,198	45,567
Pension	72,101	28,043	100,144	71,622	26,975	98,597
Remuneration of directors	-	2,189	2,189	-	1,787	1,787
Others	29,809	9,835	39,644	30,143	9,694	39,837
Depreciation	389,291	174,396	563,687	431,515	164,377	595,892
Amortization	1,895	4,519	6,414	2,214	7,270	9,484

13. Additional Disclosures

(1) Information on significant transactions

As per the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group shall disclose the relevant information on significant transactions during 2025. The details are as follows:

(a) Loan to Others:

Unit: NT$ thousand

No. (Note 1)	Financing Company	Counterparty	Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 5)	Interest Rate (%)	Nature for Financing (Note 4)	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limit
													Item	Value		
1	Dongguan Hirosawa	Wuhan Hiroyoshi	Other receivables due from related parties	Yes	270,000	112,500	-	3.00%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 459,583	Not exceed 20% of the Corporation's net worth 919,166
1	Dongguan Hirosawa	Dongguan Conserve & Associates	Other receivables due from related parties	Yes	45,000	45,000	44,132	3.10%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 459,583	Not exceed 20% of the Corporation's net worth 919,166
1	Dongguan Hirosawa	Dongguan Mono	Other receivables due from related parties	Yes	54,000	45,000	23,247	3.10%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 459,583	Not exceed 20% of the Corporation's net worth 919,166
1	Dongguan Hirosawa	Hunan Hiroyoshi	Other receivables due from related parties	Yes	22,500	22,390	-	3.10%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 459,583	Not exceed 20% of the Corporation's net worth 919,166
1	Lofty Group	Hirotai Investment	Other receivables due from related parties	Yes	45,000	45,000	42,864	3.10%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 628,811	Not exceed 20% of the Corporation's net worth 1,257,623
1	Lofty Group	Hiroca Automotive	Other receivables due from related parties	Yes	569,333	474,444	221,407	5.5%~6.7%	2	-	Operating capital	-		-	Not exceed 10% of the Corporation's net worth 628,811	Not exceed 20% of the Corporation's net worth 1,257,623

Note 1: The method of filling in the Code column is as follows:
1. The issuer is coded "0."
2. The investees are coded sequentially beginning from "1" in the order presented in the table above.

Note 2: The method of filling in the nature of loans to others is as follows:
1. Business relationship.
2. The need for short-term financing.

Note 3: The transactions related to the consolidated entities listed above have been eliminated when the consolidated financial statements were prepared.

Note 4: If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

(b) Endorsements/Guarantees Provided to Others:

Unit: NT$ thousand

Nunber (Note 1)	Name of Guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements (Note2)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note2)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements /guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	Lofty Group	4	1,164,448	253,037	253,037	151,822	-	4.35%	2,328,897	Y	N	N

Note 1: The method of filling in the Code column is as follows:
1. The issuer is coded "0."
2. The investees are coded sequentially beginning from "1" in the order presented in the table above.

Note 2: The upper limit of each endorsement/ guarantee provided to a single enterprise shall not exceed 20% of the then net worth of the enterprise, and the total amount shall not exceed 40% of the then net worth of the enterprise.

Note 3: There are seven types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the type:
1. Companies with business dealings.
2. A company in which the Company directly or indirectly holds more than 50% of the voting shares.
3. A company directly or indirectly holds more than 50% of the voting shares in the Company.
4. A company in which the Company directly or indirectly holds more than 90% of the voting shares.
5. Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.
6. A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
7. The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 4: If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

(c) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price (Note 2)	Payment Terms	Ending Balance	% to Total	
Lofty Group	HIROSAWA USA	Parent and subsidiary company	Sales	(554,622)	(65.29)%	O/A 120 days	-	-	109,192	41.97%	
〃	Dongguang Hirosawa	Parent and subsidiary company	Purchases	492,794	80.43%	O/A 90 days	-	-	(459,500)	(90.45)%	
Dongguang Hirosawa	Lofty Group	Parent and subsidiary company	Sales	(492,794)	(15.56)%	O/A 90 days	-	-	459,500	39.24%	
〃	Wuhan Hiroyoshi	Parent and subsidiary company	Purchases	314,693	17.08%	O/A 90days	-		(182,425)	(24.15)%	
Wuhan Hiroyoshi	Dongguang Hirosawa	Parent and subsidiary company	Sales	(314,693)	45.25%	O/A 90 days	-	-	182,425	49.93%	
HIROSAWA USA	Lofty Group	Parent and subsidiary company	Purchases	554,622	100.00%	O/A 120 days	-	-	(109,192)	(98.08)%	

Note1:The transactions related to the consolidated entities listed above have been eliminated when the consolidated financial statements were prepared.
Note2:There is not comparable transaction counterparty available for the Group’s sales to and purchases from related parties.
Note2:If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

(d) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Unit: NT$ thousand

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (Note 3)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Lofty Group	HIROSAWA USA	Parent and subsidiary company	109,192	4.90	-	Pay at sight	97,846	-
Dongguang Hirosawa	Lofty Group	Parent and subsidiary company	459,500	1.29	-	Pay at sight	182,590	-
Wuhan Hiroyoshi	Dongguang Hirosawa	Parent and subsidiary company	182,425	1.60	-	Pay at sight	57,935	-

Note 1: The transactions related to the consolidated entities listed above have been eliminated when the consolidated financial statements were prepared.

Note 2: If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

Note 3: Other receivables were not included in the calculation of the turnover.

(e) Business relations and important transactions between parent company and subsidiaries:

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
1	Lofty Group	Dongguan Hirosawa	3	Operating revenue, net	554,622	No other transaction counterparts can be compared	10.60%
2	Dongguan Hirosawa	Lofty Group	3	Operating revenue, net	492,794	〃	9.42%
2	〃	〃	3	Accounts receivable	459,500	〃	3.37%
3	Wuhan Hiroyoshi	Dongguan Hirosawa	3	Operating revenue, net	314,693	〃	6.02%
3	〃	〃	3	Accounts receivable	182,425	〃	1.34%
3	〃	Lofty Group	3	Operating revenue, net	95,548	〃	1.83%
5	Xianyang Hiroyoshi	Dongguan Hirosawa	3	Operating revenue, net	81,459	〃	1.56%

Note 1: The method of filling in the Code column is as follows:
1. The parent company is coded “0”.
2. The subsidiaries are coded sequentially beginning from “1” in the order presented in the table above.

Note 2: The types of relations with the counterparty are indicated as follows:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Between subsidiaries

Note 3: If the transaction amount as a percentage of the consolidated total revenue or total assets was under the assets and liabilities account, it was calculated with the ending balance as a percentage of the total assets; if it was under the profit and loss account, it was calculated with the cumulative amount during the period as a percentage of the consolidated total revenue.

Note 4: If a transaction amount does not reach NT$10,000 thousand, it will not be disclosed. Of the sales and purchases and accounts receivable and payables, only the amounts of sales and accounts receivable written off are disclosed.

Note 5: If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

(2) Information on investees

The information on the Group's investees for the year ended December 31, 2025 is as follows (excluding investees in China):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Stock (Shares)	%	Carrying Value			
The Company	Lofty Group	Samoa	International trade business and general investment business	2,958,123	2,958,123	38,285,716	100.00%	6,285,288	(68,442)	(68,442)	
〃	Hiroca Taiwan	Taiwan	R&D and sales of automotive trim parts;	234,588	234,588	16,335,367	100.00%	69,557	(62,390)	(62,390)	
Hiroca Taiwan	Hsin Shi Technology Co., Ltd	Taiwan	Production and sales of automotive trim parts	104,000	104,000	5,160,000	30.00%	105,109	5,803	1,308	Note1
〃	HS Automotive Trim Co., Ltd	Korea	〃	19,533	3,381	173,400	51.00%	15,119	(7,395)	(3,771)	
Lofty Group	Hirogen International	〃	〃	76,232	76,232	19,414,080	79.00%	1,086	(56)	(45)	
〃	Hiroyoshi Investment	〃	〃	935,596	935,596	32,500,000	100.00%	797,407	32,635	32,635	
〃	Yoshisawa Investment	〃	〃	25,622	25,622	880,000	100.00%	7,649	(30)	(30)	
〃	Hiroyuki Investmen	〃	〃	91,918	91,918	3,309,477	100.00%	22,606	(11,601)	(11,601)	
〃	Hirotai Investment	〃	〃	880,296	880,296	29,475,000	68.55%	842,188	54,673	37,477	
〃	Smart Scene	〃	〃	4,500	4,500	500,000	100.00%	81,154	19,171	19,171	
Hiroyuki Investment	WIN INC.	Cayman	International trade business and general investment business	90,244	90,244	25,480	49.00%	22,078	(23,598)	(11,563)	
Hirotai Investment	HIROTAI AUTOMOTIVE TRIM SA DE CV	Mexico	Manufacturing and sales business	1,190,049	1,190,049	739,627,198	100.00%	1,303,031	67,448	67,448	
Smart Scene	HIROSAWA AUTOMOTIVE TRIM USA CO.	USA	Sales business	31	31	60,000	100.00%	93,113	19,207	19,207	

Note 1: The difference is the amortization of the difference between investment cost and fair value of identifiable net assets

Note 2: If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

Note 3: The transactions related to the consolidated entities listed above have been eliminated when the consolidated financial statements were prepared.

(3) Information on investments in mainland China:

(a) Information on investees in mainland China:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of 2024.01.01	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of 2024.12.31	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investmen	Investment Gain (Loss) (Note 2)	Carrying Amount as of 2024.12.31	Accumulated Repatriation of Investment Income as of 2024.12.31
					Outflow	Inflow						
Dongguan Hirosawa	Production and sales of automotive trim parts, electronic plastic parts, and polypropylene corrugated boxes; road freight; wholesale and import and export of molds, jigs, fixtures, and inspection tools	702,094	2	0	0	0	0	(159,314)	100.00%	(161,906)	4,586,723	0
Wuhan Hiroyushi	Production and sales of automotive trim parts, electronic plastic parts, and polypropylene corrugated boxes; road freight; wholesale and import and export of molds, jigs, fixtures, and inspection tools	858,943	2	0	0	0	0	35,203	100.00%	35,203	790,399	0
Dongguan Mono	Production and sales of automotive trim parts	95,439	2	0	0	0	0	(22,644)	49.00%	(11,158)	61,072	0
Kaifeng Hiroyushi	Production and sales of automotive trim parts	315,000	2	0	0	0	0	(17,121)	100.00%	(17.121)	426.748	0
Hunan Hiroyushi	Production and sales of automotive trim parts	337,500	2	0	0	0	0	(18,465)	100.00%	(18,465)	264.950	0
Dongguan Guangneng(Note6)	Production and sales of automotive trim parts	0	2	0	0	0	0	(16)	100.00%	(16)	0	0
Dongguan Conserve & Associates, Inc.	Production and sales of automotive trim parts	125,682						22,997	100.00%	(9,819)	34,810	
Xianyang Hiroyushi	Production and sales of automotive trim parts	225,000	2	0	0	0	0	(21,529)	100.00%	(21,529)	464,467	0
Dongguan Hiroca Technology	R&D and sales of automotive trim parts; auto parts design, development, technical consultation, and technical services	45,000	2	0	0	0	0	(8,519)	100.00%	(8,519)	65,228	0
Losang-Hirosawa	Production and sales of plastic and metal molds and provision of design and development and technical consultation services.	22,409	2	0	0	0	0	9,964	30.12%	3,032	5,285	0
Dongguan Karyu	Production and sales of automotive trim parts	56,250	2	0	0	0	0	(18,757)	51.00%	(9,519)	0	0
Suzhou Hiroyuki	Production and sales of automotive trim parts	429,986	2	0	0	0	0	23,045	51.00%	11,753	198,077	0

(b) **Limit of investment in investees in mainland China:**

Name of company	Cumulative outward remittances for investment from Taiwan to mainland China as of the end of this period (Note 4)	Investment amount approved by the Investment Commission, MOEA (Note 4)	Limit of the investment amount stipulated by Investment Commission, MOEA (Note 4)
-	-	-	-

Note 1:Investment methods are divided into the three types below, just indicate the type:
(I) Direct investment in mainland China.
(II) Indirect investment in mainland China through a third-region company
(III) Other methods.

Note 2:The investment profits or losses recognized for this period is based on:
(I) If it is under preparation, there is no investment profit or loss.
(II) The basis of recognizing investment profits or losses is divided into the three types below
(1) Financial statements audited by an international accounting firm with a partnership with an accounting firm in the Republic of China.
(2) Financial statements audited by a CPA appointed by the parent company in Taiwan.
(3) Others - financial statements reviewed by a CPA appointed by the parent company in Taiwan or prepared by the company itself.

Note 3:The transactions related to the consolidated entities listed above have been eliminated when the consolidated financial statements were prepared.

Note 4:The Company is an overseas company and therefore is not subject to the limit specified in the Principles for the Review of Investment or Technical Cooperation in Mainland China.

Note 5:If the relevant numbers in this table involve a foreign currency, it shall be converted into NTD at the exchange rate prevailing on the balance sheet date. If it is an item under the assets and liabilities account, it shall be converted at the spot exchange rate; if it is an item under the profit or loss account, it shall be converted at the average exchange rate.

Note 6: Liquidation during this period, please refer to Note 6 (6) for details.

(c) Information on significant transactions

Please refer to "Business relations and important transactions between parent company and subsidiaries for the direct or indirect significant transactions between the Group and the investees in China in 2025 which have been eliminated when the consolidated statements were prepared).

14. Information on Segments

A. Product and service information

Revenue from external customers of the Group was as follows:

Product and service		2025	2024
Automotive spare parts	$	5,009,450	4,852,980
Others		222,216	234,645
Total	$	5,231,666	5,087,625

B. Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographical information		2025	2024
Revenue from external customers was as follows:			
Mainland China	$	3,487,151	3,540,084
American		898,096	877,186
Others		846,419	670,355
Total	$	5,231,666	5,087,625

Geographical information		December,31 2025	December,31 2024
Non-current assets:			
Mainland China	$	6,021,377	3,700,611
Mexico		900,521	560,947
Taiwan		223,225	178,216
Others		13,596	23,749
Total	$	7,158,719	4,463,523

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

C. Major customers (constituted 10% or more of revenue)

		2025	2024
A Group	$	827,528	1,007,635
B Group		569,807	830,582