Right Way Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

RIGHT WAY INDUSTRIAL CO., LTD.

By

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LI-YUN SHIEH
Chairman
March 11, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the years ended December 31, 2025. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; accordingly, we do not provide a separate opinion on the matter.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2025 are set out below:

Authenticity of Revenue Recognition

As stated in Notes 4 (j) and 20, the Group's primary source of revenue is the manufacturing and sale of engine parts, pistons, automotive forging parts, motorcycle parts, and system furniture. Due to the needs of particular customers, the Group stores a portion of the inventory at the hub warehouses designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, and revenue is recognized once the customers take delivery of the goods from the warehouse.

Since the Group does not directly manage the hub warehouse, the revenue recognition process involves higher degree of manual processing and has a and significant impact on the financial statements. Therefore, the occurrence and authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

The key audit matter procedures we performed were as follows:

1. We obtained an understanding of the design of the internal controls related to revenue from the hub warehouse and tested their operating effectiveness on a sample basis.

2. We obtained the bills of lading for the hub warehouse. To confirm the authenticity of the revenue, we selected samples of sale transactions related to shipments to the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

We have also audited the parent company only financial statements of Right Way Industrial Co. Ltd. as of and for the years ended December 31, 2025 and 2024, on which the other auditor and we have issued an unmodified opinion with other matter paragraph.

Among the subsidiaries included in the consolidated financial statements of the Group, Right Way Industrial (Malaysia) Sdn. Bhd. was not audited by us but was audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for this subsidiary, is based solely on the reports of other auditors. As of December 31, 2025 and 2024, the total assets of this subsidiary amounted to NT $588,677 thousand and NT $515,014 thousand respectively, accounting for 17.86% and 16.27% of total consolidated assets, respectively. For the years ended December 31, 2025 and 2024, the net sales revenue was NT $264,577 thousand and NT $225,498 thousand, respectively, accounting for 24.69% and 21.75% of the consolidated net sales revenue, respectively.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the

Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2026

<u>*Notice to Readers*</u>

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

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

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2025 Amount	%	December 31, 2024 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 216,217	7	$ 399,060	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	8	-	-	-
Notes receivable (Notes 4, 10, and 20)	9,244	-	10,822	-
Accounts receivable, net (Notes 4, 10 and 20)	195,425	6	218,321	7
Accounts receivable from related parties (Notes 4, 10, 20, and 27)	9,680	-	11,419	-
Other receivables (Note 4)	4,401	-	3,044	-
Inventories (Notes 4 and 11)	424,597	13	368,803	12
Other current financial assets - current (Notes 4, 9 and 28)	1,591	-	34,185	1
Other current assets (Note 14)	47,791	2	52,979	2
Total current assets	908,954	28	1,098,633	35
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,001,203	30	811,580	26
Property, plant and equipment (Notes 4, 13 and 28)	1,249,272	38	1,156,478	36
Deferred tax assets (Notes 4 and 22)	67,981	2	70,463	2
Refundable deposits	1,107	-	695	-
Net defined benefit assets - non-current (Notes 4 and 18)	28,958	1	21,051	1
Other non-current assets (Note 14)	39,131	1	6,534	-
Total non-current assets	2,387,652	72	2,066,801	65
TOTAL	$ 3,296,606	100	$ 3,165,434	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 15 and 28)	$ 59,872	2	$ 58,934	2
Accounts payable (Notes 16 and 27)	148,890	4	124,921	4
Other payable (Note 17)	104,411	3	87,689	3
Current tax liabilities	14	-	2,651	-
Current portion of long-term borrowings (Notes 4 and 15)	752	-	568	-
Other current liabilities (Notes 17 and 20)	21,820	1	15,382	-
Total current liabilities	335,759	10	290,145	9
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 15)	1,549	-	1,637	-
Deferred tax liabilities (Notes 4 and 22)	89,604	3	84,429	3
Guarantee deposits	3	-	3	-
Total non-current liabilities	91,156	3	86,069	3
Total liabilities	426,915	13	376,214	12
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 19)				
Ordinary shares	3,003,885	91	3,003,885	95
Capital surplus	424,736	13	424,736	13
Accumulated deficit	(493,015)	(15)	(512,535)	(16)
Other equity	(143,749)	(4)	(199,936)	(6)
Total equity attributable to owners of the Company	2,791,857	85	2,716,150	86
NON-CONTROLLING INTERESTS (Note 19)	77,834	2	73,070	2
Total equity	2,869,691	87	2,789,220	88
TOTAL	$ 3,296,606	100	$ 3,165,434	100

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

(With Deloitte & Touche auditors' report dated March 11, 2026)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 20 and 27)	$ 1,071,595	100	$ 1,036,620	100
OPERATING COSTS (Notes 11, 21 and 27)	896,557	84	867,891	84
GROSS PROFIT	175,038	16	168,729	16
OPERATING EXPENSES (Notes 4, 10, 21 and 27)				
Selling and marketing expenses	65,963	6	46,841	5
General and administrative expenses	97,447	9	85,674	8
Research and development expenses	13,714	1	11,332	1
Expected credit (gain) loss	(1,095)	-	5,155	-
Total operating expenses	176,029	16	149,002	14
(LOSS) PROFIT FROM OPERATIONS	(991)	-	19,727	2
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Interest income	3,863	-	6,198	-
Other income	38,316	3	27,036	3
Other gains and losses	(13,613)	(1)	6,745	1
Finance costs	(2,203)	-	(2,945)	-
Total non-operating income and expenses	26,363	2	37,034	4
PROFIT BEFORE INCOME TAX	25,372	2	56,761	6
INCOME TAX EXPENSE (Notes 4 and 22)	6,233	-	16,328	2
NET PROFIT FOR THE YEAR	19,139	2	40,433	4
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	39,888	4	(84,282)	(8)
Remeasurement of defined benefit plans	2,266	-	13,325	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(453)	-	(2,665)	-
	41,701	4	(73,622)	(7)

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ 19,819	2	$ 31,582	3
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	(682)	-
	19,819	2	30,900	3
Other comprehensive income (loss) for the year, net of income tax	61,520	6	(42,722)	(4)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 80,659	8	$ (2,289)	-
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 18,330	2	$ 41,721	4
Non-controlling interests	809	-	(1,288)	-
	$ 19,139	2	$ 40,433	4
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 75,707	7	$ (7,370)	(1)
Non-controlling interests	4,952	1	5,081	1
	$ 80,659	8	$ (2,289)	-
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.06		$ 0.14	
Diluted	$ 0.06		$ 0.14	

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

(With Deloitte & Touche auditors' report dated March 11, 2026)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owner of the Company								
	Share Capital				Other Equity				
	Ordinary Shares	Advance Receipts	Capital Surplus	Accumulated Deficit	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	$ 3,003,106	$ 957	$ 424,479	$ (564,916)	$ (134,215)	$ (5,970)	$ 2,723,441	$ 67,989	$ 2,791,430
Issuance of ordinary shares under employee share options (Note 19)	779	(957)	257	-	-	-	79	-	79
Net profit (loss) for the year ended December 31, 2024	-	-	-	41,721	-	-	41,721	(1,288)	40,433
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	10,660	24,531	(84,282)	(49,091)	6,369	(42,722)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	52,381	24,531	(84,282)	(7,370)	5,081	(2,289)
BALANCE AT DECEMBER 31, 2024	3,003,885	-	424,736	(512,535)	(109,684)	(90,252)	2,716,150	73,070	2,789,220
Disposal of subsidiaries	-	-	-	-	-	-	-	(188)	(188)
Net profit for the year ended December 31, 2025	-	-	-	18,330	-	-	18,330	809	19,139
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	1,813	15,676	39,888	57,377	4,143	61,520
Total comprehensive income for the year ended December 31, 2025	-	-	-	20,143	15,676	39,888	75,707	4,952	80,659
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	(623)	-	623	-	-	-
BALANCE AT DECEMBER 31, 2025	$ 3,003,885	$ -	$ 424,736	$ (493,015)	$ (94,008)	$ (49,741)	$ 2,791,857	$ 77,834	$ 2,869,691

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

(With Deloitte & Touche auditors' report dated March 11, 2026)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 25,372	$ 56,761
Adjustments for:		
Depreciation expenses	52,008	49,249
Expected credit loss recognized (reversed) on accounts receivables	(1,095)	5,155
Net gain on fair value changes of financial assets at fair value through profit or loss	(8)	-
Finance costs	2,203	2,945
Interest income	(3,863)	(6,198)
Dividend income	(29,865)	(19,556)
(Gain) loss on disposal of property, plant and equipment	(822)	113
Write-down of inventories	28,114	11,264
Loss on disposal of subsidiary	155	-
Changes in operating assets and liabilities:		
Notes receivable	1,578	5,440
Accounts receivable (including related parties)	25,730	(39,884)
Other receivables	(995)	1,294
Inventories	(83,908)	(28,495)
Other current assets	5,188	11,866
Other non-current assets	(15,202)	3,903
Accounts payable	23,969	87
Other payables	7,451	(13,540)
Other current liabilities	6,438	(8,264)
Net defined benefit assets	(5,641)	(5,279)
Cash generated from operations	36,807	26,861
Interest received	4,058	6,198
Interest paid	(2,203)	(2,945)
Income tax paid	(3,289)	(7,737)
Net cash generated from operating activities	35,373	22,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(351,888)	(113,411)
Proceeds from sale of financial assets at fair value through other comprehensive income	209,370	-
Purchase of financial assets at fair value through profit or loss	(505)	-
Proceeds from sale of financial assets at fair value through profit or loss	505	-
Payments for property, plant and equipment	(147,965)	(71,002)
Proceeds from disposal of property, plant and equipment	2,550	814
Decrease in other financial assets	32,182	12,477
Dividend received	29,865	19,556
Net cash used in investing activities	(225,886)	(151,566)

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 163,001	$ 301,787
Repayments of short-term borrowings	(164,932)	(301,079)
Proceeds from long-term borrowings	781	870
Repayments of long-term borrowings	(818)	(675)
Proceeds from issuing ordinary shares under employee share options	-	79
Net cash (used in) generated from financing activities	(1,968)	982
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	9,638	17,626
NET DECREASE IN CASH AND CASH EQUIVALENTS	(182,843)	(110,581)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	399,060	509,641
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 216,217	$ 399,060

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

(With Deloitte & Touche auditors' report dated March 11, 2026)

(Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Right Way Industrial Co., Ltd. (the "Company") was incorporated in March 1965, and is mainly engaged in the manufacturing and retail sale of engine, parts of automobile and motorcycles, pistons, piston rings and its accessories, components for steering systems, crankshafts, chains, camshafts, machine tools and system furniture.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since August 1980.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 11, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

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

   As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of various amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's consolidated financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Refer to Note 12 and Table 5 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

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

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

Non-monetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

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

h. Impairment of property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable including related parties, other receivables, refundable deposits and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime ECLs for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

j. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of automobile parts and system furniture. Sales of goods are recognized as revenue when the conditions of sales are satisfied because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. Advance receipts are recognized as a contract liability until trade terms have been reached.

2) Revenue from rendering of services

Revenue from the rendering of services is recognized as revenue when services are rendered. The Group recognizes contract assets over the period in which the services are performed. The contract assets are reclassified to accounts receivable when the bills are issued. If the amount received for installation services exceeds the amount of revenue recognized, the difference is recognized as a contract liability.

k. Leases

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

For short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

l. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs or in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue or a deduction from the carrying amount of the relevant assets and transferred to or recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit assets represent the actual surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

There were no material uncertainties in the accounting policies, estimates and basic assumptions adopted by the Group after being evaluated by the management of the Group.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Cash on hand	$ 693	$ 776
Checking accounts and demand deposits	149,624	181,727
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	65,900	210,000
Repurchase agreements collateralized by bonds	-	6,557
	$ 216,217	$ 399,060

The annual market interest rates for cash equivalents on the balance sheet date is as follows:

	December 31	
	2025	**2024**
Time deposits	1.255%-1.75%	0.85%-1.52%
Repurchase agreements collateralized by bonds	-	4.65%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - December 31, 2025

	Amount
Financial assets at fair value through profit or loss (FVTPL) - current	
Financial assets held for trading	
Derivative financial assets (not under hedge accounting)	
Foreign exchange forward contracts	$ 8

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2025			
Sell	USD/NTD	2026.1.20-2026.1.28	USD380/NTD11,938

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 1,001,203	$ 811,580

9. OTHER FINANCIAL ASSETS

	December 31	
	2025	2024
Current		
Domestic investments		
Time deposits with original maturities more than three months	$ -	$ 30,000
Pledged time deposits (Note 28)	-	3,545
Pledged demand deposits (Note 28)	1,591	640
	$ 1,591	$ 34,185

The annual interest rates for time deposits were as follows:

	December 31	
	2025	2024
Time deposits with original maturities more than three months	-	2%
Pledged time deposits	-	0.675%

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	December 31	
	2025	2024
Notes receivable		
At amortized cost - Gross carrying amount		
Operating	$ 9,244	$ 10,822
Accounts receivable (including related parties)		
At amortized cost		
Gross carrying amount	$ 206,669	$ 234,895
Less: Allowance for impairment loss	(1,564)	(5,155)
	$ 205,105	$ 229,740

Notes receivable

As of December 31, 2025 and 2024, the Group measured the expected credit losses on notes receivable based on the number of days overdue. No notes receivables were overdue; therefore, no expected credit loss was recognized.

Accounts receivable (including those for related parties)

The average credit period of sales of goods was 30-120 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the customer's past default experience, the customer's current financial position,the economic conditions of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, except where there is an indication of default by the debtor, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base and the expected credit loss rates are determined solely based on the number of days past due of accounts receivable.

The Group writes off an accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

December 31, 2025

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.01%	0.11%-2.82%	6.75%-100%	
Gross carrying amount	$ 189,698	$ 9,365	$ 7,606	$ 206,669
Loss allowance (lifetime ECLs)	-	-	(1,564)	(1,564)
Amortized cost	$ 189,698	$ 9,365	$ 6,042	$ 205,105

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Indication of Debtor Default	Total
Expected credit loss rate	0%	0.01%-0.32%	3.23%-100%	100%	
Gross carrying amount	$ 205,814	$ 19,241	$ 6,251	$ 3,589	$ 234,895
Loss allowance (lifetime ECLs)	-	-	(1,566)	(3,589)	(5,155)
Amortized cost	$ 205,814	$ 19,241	$ 4,685	$ -	$ 229,740

The movements of the loss allowance for accounts receivable were as follows:

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 5,155	$ -
Amounts written off	(2,496)	-
Net remeasurement of loss allowance	(1,095)	5,155
Balance at December 31	$ 1,564	$ 5,155

During 2025, the Group wrote off trade receivables of $2,496 thousand and the related loss allowance of $2,496 thousand was recognized due to the customer entering restructuring proceedings.

11. INVENTORIES

	December 31	
	2025	2024
Merchandise	$ 99,765	$ 84,144
Finished good	149,903	126,883
Work in process and semi-finished goods	125,018	103,891
Material	49,911	53,885
	$ 424,597	$ 368,803

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were $896,557 thousand and $867,891 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 included provisions for loss on inventories of $28,114 thousand and $11,264 thousand, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership December 31		
Investor	**Investee**	**Nature of Activities**	**2025**	**2024**	**Remark**
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Producer of quality pistons for motorcycles, commercial vehicles, automobiles, etc.	79.63%	79.63%	
	Excellent Growth Investments Limited	Investment business	100%	100.00%	
	Right Way North America Inc.	Trading of automobiles engine parts.	-	100.00%	Note 1
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Engineering Sdn. Bhd.	Producer of connecting rod.	-	89.50%	Note 2

Note 1: Right Way North America Inc. completed its dissolution and liquidation on April 25, 2025, and remitted its capital on July 23, 2025.

Note 2: TRIM Engineering Sdn. Bhd. applied for liquidation on December 24, 2025, and the related liquidation procedures are still in progress.

b. Details of subsidiaries that have significant non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
Name of subsidiary	**December 31, 2025**	**December 31, 2024**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	20.37%	20.37%

Refer to Table 5 for the information on the places of incorporation and principal places of business.

	Profit (Loss) Allocated to Non-controlling Interests For the year ended December 31	
Name of subsidiary	**2025**	**2024**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ 4,952	$ 5,081

	Accumulated non-controlling Interests	
Name of subsidiary	**December 31, 2025**	**December 31, 2024**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ 77,834	$ 73,070

The following financial information of each subsidiary is prepared before intragroup eliminations:

Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries

	December 31 2025	December 31 2024
Current assets	$ 316,668	$ 308,682
Non-current assets	272,544	229,448
Current liabilities	(199,080)	(175,654)
Non-current liabilities	(8,088)	(4,511)
Equity	$ 382,044	$ 357,965
Equity attribute to:		
Owner of the company	$ 304,210	$ 284,895
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	77,834	72,892
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	-	178
	$ 382,044	$ 357,965

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Revenue	$ 371,172	$ 330,601
Net profit (loss) for the year	$ 3,971	$ (6,309)
Other comprehensive income for the year	20,382	31,201
Total comprehensive income for the year	$ 24,353	$ 24,892
Profit (loss) attribute to:		
Owner of the company	$ 3,162	$ (5,021)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	810	(1,285)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	(1)	(3)
	$ 3,971	$ (6,309)
Total comprehensive income attributed to:		
Owner of the company	$ 19,401	$ 19,811
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	4,942	5,069
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	10	12
	$ 24,353	$ 24,892
Cash inflow (outflow) from:		
Operating activities	$ 21,892	$ 39,208
Investing activities	(43,718)	(21,308)
Financing activities	21,042	(8,297)
Net cash (outflow) inflow	$ (784)	$ 9,603

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Mold Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost							
Balance at January 1, 2024	$ 782,850	$ 359,445	$ 774,093	$ 74,853	$ 156,121	$ 6,521	$ 2,153,883
Additions	-	13,672	39,240	947	12,027	1,583	67,469
Disposal	-	(8,832)	(39,217)	(85)	(3,506)	-	(51,640)
Reclassification	-	-	7,335	57	(35)	(6,521)	836
Effects of foreign currency exchange	10,974	8,692	39,580	-	1,990	-	61,236
Balance at December 31, 2024	$ 793,824	$ 372,977	$ 821,031	$ 75,772	$ 166,597	$ 1,583	$ 2,231,784
Accumulated Depreciation and impairment							
Balance at January 1, 2024	$ -	$ 180,732	$ 690,283	$ 67,006	$ 96,750	$ -	$ 1,034,771
Depreciation expenses	-	11,165	25,959	2,605	9,520	-	49,249
Disposal	-	(8,831)	(38,375)	(48)	(3,459)	-	(50,713)
Effects of foreign currency exchange	-	4,379	35,930	-	1,690	-	41,999
Balance at December 31, 2024	$ -	$ 187,445	$ 713,797	$ 69,563	$ 104,501	$ -	$ 1,075,306
Carrying amount at December 31, 2024	$ 793,824	$ 185,532	$ 107,234	$ 6,209	$ 62,096	$ 1,583	$ 1,156,478
Cost							
Balance at January 1, 2025	$ 793,824	$ 372,977	$ 821,031	$ 75,772	$ 166,597	$ 1,583	$ 2,231,784
Additions	-	4,541	60,735	2,365	4,329	57,676	129,646
Disposal	-	(1,647)	(80,122)	(707)	(794)	-	(83,270)
Reclassification	-	-	3,514	853	-	(1,388)	2,979
Effects of foreign currency exchange	7,142	5,956	22,165	-	1,316	-	36,579
Balance at December 31, 2025	$ 800,966	$ 381,827	$ 827,323	$ 78,283	$ 171,448	$ 57,871	$ 2,317,718
Accumulated Depreciation and impairment							
Balance at January 1, 2025	$ -	$ 187,445	$ 713,797	$ 69,563	$ 104,501	$ -	$ 1,075,306
Depreciation expenses	-	12,493	26,263	2,412	10,840	-	52,008
Disposal	-	(1,647)	(78,395)	(706)	(794)	-	(81,542)
Effects of foreign currency exchange	-	3,080	18,429	-	1,165	-	22,674
Balance at December 31, 2025	$ -	$ 201,371	$ 680,094	$ 71,269	$ 115,712	$ -	$ 1,068,446
Carrying amount at December 31, 2025	$ 800,966	$ 180,456	$ 147,229	$ 7,014	$ 55,736	$ 57,871	$ 1,249,272

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	20-50 years
Others	2-20 years
Machinery equipment	1-21 years
Molding equipment	2-11 years
Other equipment	2-21 years

The Group held $7,483 thousand of agricultural land at Baojia Section, Rende District, Tainan City, as the factory building, which was registered under the name of the related party of the Group's chairman and was pledged as collateral by the Group.

Refer to Note 28 for the amounts of owner-occupied property, plant, and equipment that were pledged as collaterals.

14. OTHER ASSETS

	December 31 2025	December 31 2024
Current		
Supplies	$ 12,757	$ 13,304
Prepayments	32,665	36,867
Prepayments for goods	2,369	2,808
	$ 47,791	$ 52,979
Non-current		
Prepayments for equipment	$ 24,216	$ 3,843
Others	14,915	2,691
	$ 39,131	$ 6,534

15. BORROWINGS

a. Short-term borrowings

	December 31 2025	December 31 2024
Secured borrowings (Note 28)		
Bank borrowings	$ 59,872	$ 58,934

The annual interest rate ranges for short-term borrowings at the end of December 31, 2025 and December 31, 2024 were from 4.73% to 6.11% and from 4.61% to 6.05%, respectively.

b. Long-term borrowings

The details of the Group's long-term borrowings were as follows:

	December 31, 2025			
	Currency	Interest Rate Interval	Date of Maturity	Amount
Unsecured bank borrowings	MYR	2.37%-2.51%	2028.4.1-2030.4.18	$ 2,301
Less: Current portion				(752)
Long-term borrowings				$ 1,549

	December 31, 2024			
	Currency	Interest Rate Interval	Date of Maturity	Amount
Unsecured bank borrowings	MYR	2.37%-2.51%	2028.4.1-2029.3.17	$ 2,205
Less: Current portion				(568)
Long-term borrowings				$ 1,637

16. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Accounts payable were generated from operating activities. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

17. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Payables for salaries or bonuses	$ 31,601	$ 25,901
Payables for annual leave	9,717	9,365
Payables for outsourced manufacturing overhead	8,532	8,766
Payables for equipment and construction	8,063	6,009
Payable for share settlements	7,622	405
Payables for spares fee	4,754	3,335
Labor and health insurance premiums payable	3,775	3,349
Freight payables	2,879	3,997
Maintenance fees	2,865	3,017
Accrued utilities	2,058	1,781
Others	22,545	21,764
	$ 104,411	$ 87,689
Other current liabilities		
Contract liabilities	$ 20,792	$ 4,144
Deferred revenue (Note)	-	3,545
Others	1,028	7,693
	$ 21,820	$ 15,382

Note: The deferred revenue mainly referred to the subsidies received by the Group from the Ministry of Economic Affairs for the "Small and Medium-sized Manufacturing Industry Low-Carbon and Intelligent Upgrading and Transformation Subsidy".

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group's domestic consolidated entities adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group's subsidiaries in Malaysia are members of a state-managed retirement benefit plan operated by each government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 84,316	$ 86,509
Fair value of plan assets	(113,274)	(107,560)
Net defined benefit asset	$ (28,958)	$ (21,051)

Movements in net defined benefit asset were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Balance at January 1, 2024	$ 94,672	$ (97,119)	$ (2,447)
Service cost			
Current service cost	33	-	33
Net interest expense (income)	1,161	(1,224)	(63)
Recognized in profit or loss	1,194	(1,224)	(30)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,643)	(8,643)
Actuarial gain - changes in financial assumptions	(1,869)	-	(1,869)
Actuarial gain - experience adjustments	(2,813)	-	(2,813)
Recognized in other comprehensive income	(4,682)	(8,643)	(13,325)
Contributions from the employer	-	(5,249)	(5,249)
Benefits paid	(4,675)	4,675	-
Balance at December 31, 2024	86,509	(107,560)	$ (21,051)
Service cost			
Current service cost	-	-	-
Net interest expense (income)	1,266	(1,622)	(356)
Recognized in profit or loss	1,266	(1,622)	(356)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,476)	(7,476)
Actuarial loss - changes in demographic assumptions	2	-	2
Actuarial loss - changes in financial assumptions	1,780	-	1,780
Actuarial loss - experience adjustments	3,428	-	3,428
Recognized in other comprehensive income	5,210	(7,476)	(2,266)
Contributions from the employer	-	(5,285)	(5,285)
Benefits paid	(8,669)	8,669	-
Balance at December 31, 2025	$ 84,316	$ (113,274)	$ (28,958)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ (294)	$ (27)
Operating expenses	(62)	(3)
	$ (356)	$ (30)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the [government/corporate] bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2025	**2024**
Discount rate(s)	1.250%	1.500%
Expected rate(s) of salary increase	2.000%	2.000%

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

	December 31	
	2025	**2024**
Discount rate(s)		
0.25% increase	$ (1,779)	$ (1,808)
0.25% decrease	$ 1,838	$ 1,869
Expected rate(s) of salary increase/decrease		
0.25% increase	$ 1,792	$ 1,826
0.25% decrease	$ (1,744)	$ (1,776)

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

	December 31	
	2025	**2024**
Expected contributions to the plans for the next year	$ 5,466	$ 5,263
Average duration of the defined benefit obligation	8.6 years	8.5 years

19. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	300,389	300,389
Publicly traded shares	$ 1,343,885	$ 1,343,885
Privately issued shares	1,660,000	1,660,000
Shares issued and fully paid	$ 3,003,885	$ 3,003,885

The issued ordinary shares have a par value of NT$10 each and each share is entitled to one vote and the right to receive dividends.

For the year ended December 31, 2024, the Company's employees exercised 6 thousand employee share options with a price of $13.3 per share, which amounted to $79 thousand. For the year ended December 31, 2023, the Company's employees exercised 595 thousand employee share options with a price range of $13.3-$13.4 per share, which amounted to $7,917 thousand. As of December 31, 2023, the application for share capital alteration with the Ministry of Economic Affairs had been completed, whereas the alteration of the remaining 72 thousand shares had not been completed and was presented as advance receipts for share capital. The aforementioned total of 78 thousand shares had March 20, 2024 as the base date for capital increase, and the application for capital change registration has been completed with the Ministry of Economic Affairs.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 421,894	$ 421,894
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,842	2,842
	$ 424,736	$ 424,736

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit; however, once the legal reserve has reached the Company's paid-in capital, no further reserve shall be made, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Refer to Note 21 (g) Employees' compensation and remuneration of directors for the appropriation policy of employees and directors as set forth in the Articles.

In addition, as set forth in the Articles, the Company's dividends policy considers its operating environment, industry developments, and sustainable development as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the share or cash dividends to be paid, of which cash dividends shall not be less than 50% of the total dividends paid.

As the Company had accumulated deficits in both 2024 and 2023, on June 10, 2025 and June 11, 2024, the shareholders resolved that the Company shall make no appropriations.

On March 11, 2026, the board of directors of the Company proposed to offset the losses for the year ended 2025. However, the loss offset will be resolved by the shareholders in their meeting to be held on May 27, 2026.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2025	**2024**
Balance at January 1	$ (109,684)	$ (134,215)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	15,528	24,531
Reclassification adjustments		
Disposal of foreign operations	148	-
Balance at December 31	$ (94,008)	$ (109,684)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	**2024**
Balance at January 1	$ (90,252)	$ (5,970)
Recognized for the year		
Unrealized gain (loss)	39,888	(84,282)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	623	-
Balance at December 31	$ (49,741)	$ (90,252)

e. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 73,070	$ 67,989
Disposal of subsidiaries	(188)	-
Share in profit (loss) for the year	809	(1,288)
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign operations	4,143	6,369
Balance at December 31	$ 77,834	$ 73,070

20. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,054,424	$ 1,026,785
Revenue from processing services	17,171	9,835
	$ 1,071,595	$ 1,036,620

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	$ 9,244	$ 10,822	$ 16,262
Accounts receivable (including related parties)	$ 205,105	$ 229,740	$ 195,011
Contract liabilities (presented under other current liabilities)	$ 20,792	$ 4,144	$ 18,535

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Year Ended December 31	
	2025	2024
From contract liabilities at the start of the year		
Sale of goods	$ 3,472	$ 16,821

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
Automotive parts and components	$ 883,147	$ 903,693
System furniture	188,448	132,927
	$ 1,071,595	$ 1,036,620

21. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 3,863	$ 6,198

b. Other income

	For the Year Ended December 31	
	2025	2024
Dividend income	$ 29,865	$ 19,556
Temporary receipts recognized as income	4,876	1,969
Debt recognized as income	1,400	1,748
Rental income	1,041	1,093
Compensation income	-	1,483
Others	1,134	1,187
	$ 38,316	$ 27,036

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain (loss) on disposal of property, plant and equipment	$ 822	$ (113)
Loss on disposal of subsidiary	(155)	-
Net foreign exchange gains and losses	(13,551)	10,550
Gain on fair value changes of financial assets at fair value through profit or loss	8	-
Others	(737)	(3,692)
	$ (13,613)	$ 6,745

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 2,203	$ 2,945

e. Depreciation

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	$ 52,008	$ 49,249
An analysis of depreciation by function		
Operating costs	$ 45,558	$ 42,831
Operating expenses	6,450	6,418
	$ 52,008	$ 49,249

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term benefits	$ 229,340	$ 194,604
Post-employment benefits		
Defined contribution plans	8,607	8,461
Defined benefit plans (Note 18)	(356)	(30)
	$ 237,591	$ 203,035
An analysis of employee benefits expense by function		
Operating costs	$ 156,494	$ 144,147
Operating expenses	81,097	58,888
	$ 237,591	$ 203,035

g. Employees’ compensation and remuneration of directors

According to the Company’s Articles of Incorporation, the Company accrues employees’ compensation at rates ranging from 0.1% to 3% of profit for the year, if any. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company approved the amendments to the Company’s Articles of Incorporation at their 2025 regular shareholders meeting. The amendments explicitly stipulate that the portion of the employees’ compensation allocated to non-executive employees shall be no less than 50% of the total employees’ compensation for the current period. Employees’ compensation is distributed in the form of shares or cash pursuant to resolutions of the board of directors. The eligible recipients include employees of affiliated companies who meet certain conditions. According to the aforementioned profit, the Company shall allocate the remuneration of directors at a rate of no more than 1.5%. The employees’ compensation and remuneration of directors shall be submitted for reporting at the regular shareholders' meeting. However, if the Company has an accumulated deficit, it shall first set aside the amount to offset the deficit, and then allocate employees’ compensation (including non-executive employees) and directors’ remuneration according to the aforementioned ratio. Since the Company had an accumulated deficit as of December 31, 2025 and 2024, no employees’ compensation (including non-executive employees) and remuneration of directors were accrued. Related information is available at the Market Observation Post System of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 15,209	$ 35,521
Foreign exchange losses	(28,760)	(24,971)
Net (losses) gains	$ (13,551)	$ 10,550

22. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ (127)	$ 4,668
Adjustments for prior year	(844)	3,012
Deferred tax		
In respect of the current year	7,204	8,648
	$ 6,233	$ 16,328

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax	$ 25,372	$ 56,761
Income tax expense calculated at the statutory rate	$ 5,074	$ 11,352
Nondeductible expenses in determining taxable income	42	16
Nonaccrual income in determining taxable income	-	(247)
Tax-exempt income	(5,973)	(3,911)
Unrecognized loss carryforwards and deductible temporary differences	10,159	15,712
Effect of different tax rates of group entities operating in other jurisdictions	(2,225)	(9,606)
Adjustments for prior years' tax	(844)	3,012
	$ 6,233	$ 16,328

The corporate tax rate applicable to subsidiaries in Malaysia is 24%. Tax rates used by other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Deferred tax assets and liabilities

For the year ended December 31, 2025

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 32,871	$ -	$ -	$ 32,871
Idle capacity	-	360	-	360
Others	5,079	1,481	-	6,560
	37,950	1,841	-	39,791
Tax losses	32,513	(4,323)	-	28,190
	$ 70,463	$ (2,482)	$ -	$ 67,981

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990
Defined benefit plans	4,255	1,041	453	5,749
Unrealized exchange gain	310	15	-	325
Others	2,874	3,666	-	6,540
	$ 84,429	$ 4,722	$ 453	$ 89,604

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 33,553	$ -	$ (682)	$ 32,871
Unrealized exchange losses	1,555	(1,555)	-	-
Unrealized gain on transactions with associate or joint ventures	332	(332)	-	-
Idle capacity	12	(12)	-	-
Others	3,408	1,671	-	5,079
	38,860	(228)	(682)	37,950
Tax losses	37,384	(4,871)	-	32,513
	$ 76,244	$ (5,099)	$ (682)	$ 70,463
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990
Defined benefit plans	622	968	2,665	4,255
Unrealized exchange gain	-	310	-	310
Others	603	2,271	-	2,874
	$ 78,215	$ 3,549	$ 2,665	$ 84,429

c. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2025	2024
Loss carryforwards of the Company		
Expiry in 2033	$ 82,597	$ 78,344
Expiry in 2035	10,063	-
	$ 92,660	$ 78,344
Deductible temporary differences		
Unrealized loss of subsidiaries	$ 126,626	$ 130,725

d. Information on unused loss carryforwards

Loss carryforwards of the Company as of December 31, 2025 comprised:

Unused Amount	Expiry Year
$ 861	2029
48,004	2030
174,680	2033
10,063	2035
$ 233,608	

e. Income tax assessments

Tax returns of the Company and its domestic subsidiaries income through 2023 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2025	2024
Profit for the year attributable to owners of the Company	$ 18,330	$ 41,721

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	300,389	300,388

24. CASH FLOW INFORMATION

Non-cash transactions

The Group entered into the following non-cash investing activities:

	For the Year Ended December 31	
	2025	2024
Increase in property, plant and equipment	$ 129,646	$ 67,469
(Increase) decrease in payables for equipment	(2,054)	1,669
Increase in prepayments for equipment	20,373	1,864
	$ 147,965	$ 71,002

	December 31	
	2025	2024
Increase in financial assets at fair value through other comprehensive income	$ 359,105	$ 113,816
Increase in payables for share settlements	(7,217)	(405)
	$ 351,888	$ 113,411

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged for 2025 and 2024.

The capital structure of the Group consists of net debt and equity of the Group. Key management personnel of the Group review the capital structure on annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the number of new shares issued.

26. FINANCIAL INSTRUMENTS

a. Fair value

The carrying amounts of the Group's financial instruments that are not measured at fair value, such as cash and cash equivalents, accounts receivable, refundable deposits, bank borrowings, and accounts payable, approximate their fair values.

b. Fair values of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 892,654	$ -	$ -	$ 892,654
Emerging market securities	-	-	108,549	108,549
	$ 892,654	$ -	$ 108,549	$ 1,001,203

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 543,885	$ -	$ -	$ 543,885
Emerging market securities	-	-	267,695	267,695
	$ 543,885	$ -	$ 267,695	$ 811,580

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2025	$ 267,695
Recognized in other comprehensive income	36,405
Purchase	13,819
Sales	(209,370)
Balance at December 31, 2025	$ 108,549

For the year ended December 31, 2024

		Financial Assets at FVTOCI
		Equity Instruments
Balance at January 1, 2024	$	331,227
Recognized in other comprehensive income		(63,532)
Balance at December 31, 2024	$	267,695

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of domestic emerging market shares was determined using the market approach.

c. Categories of financial instruments

	December 31			
		2025		2024
Financial assets				
Financial assets at FVTPL-held for trading	$	8	$	-
Financial assets at amortized costs (Note 1)		437,665		677,546
Financial assets at FVTOCI-equity instrument investments		1,001,203		811,580
Financial liabilities				
Financial liabilities measured at amortized cost (Note 2)		315,477		273,752

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other current financial assets - current, and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, accounts payable, other payables, long-term borrowings (including long-term borrowings due in one year), and guarantee deposits received.

d. Financial risk management objectives and policies

The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives was governed by the Group’s policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency significant denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the USD. The following table details the Group's sensitivity to changes in the functional currency against the relevant foreign currencies. If the functional currency had weakened against 5% the relevant currency, the pre-tax profit would have increased by the following amounts:

	USD Impact For the Year Ended December 31	
	2025	**2024**
Profit or loss	$ 3,972	$ 4,746

This was mainly attributable to the outstanding exposure on foreign currency cash and cash equivalents, accounts receivable and accounts payable, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency decreased because of a reduction in cash and cash equivalents in USD.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrowed funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 65,900	$ 250,102
Cash flow interest rate risk		
Financial assets	151,026	181,524
Financial liabilities	62,173	61,139

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have decreased/increased by $444 thousand and $602 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $50,060 thousand and $40,579 thousand, respectively.

The Group's sensitivity to equity prices increased because the Group increased its investment in financial assets at FVTOCI.

2) Credit risk

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

The transaction objects of the Group are all corporate organizations with good credit, and no significant credit risk is expected. Also, the financial status of accounts receivable customers is also continuously evaluated.

The Group's concentration of credit risk was mainly in the Group's largest customer, which accounted for 23% of total accounts receivable as of December 31, 2025 and 2024.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's operating funds and acquired bank loan facilities are enough to cover future operating costs; therefore, there is no liquidity risk due to unable raise funds to fulfil contracts.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the effective interest rates at the end of the reporting period.

December 31, 2025

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 108,457	$ 141,647	$ 3,197	$ 3
Floating interest rate bank loans	49,088	5,890	6,016	1,628
	$ 157,545	$ 147,537	$ 9,213	$ 1,631

December 31, 2024

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 99,848	$ 110,217	$ 2,545	$ 3
Floating interest rate bank loans	40,977	15,877	3,063	1,740
	$ 140,825	$ 126,094	$ 5,608	$ 1,743

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

The financing facilities of bank borrowings were as follows:

	December 31 2025	December 31 2024
Amount used	$ 64,164	$ 61,140
Amount used for guarantees	10,135	-
Amount unused	519,581	487,131
	$ 593,880	$ 548,271

27. TRANSACTIONS WITH RELATED PARTIES

The Company’s parent company is Brighton-Best International (Taiwan) Inc. (BBI), which owned 30.36% and 17.82% of the ordinary shares of the Company as of December 31, 2025 and 2024, respectively. Also, after the reelection of the Company’s directors at the shareholders' meeting in June 2022, BBI acquired multiple seats on the Company’s board of directors and BBI’s representative was elected as board chairman; thus, BBI obtained substantial control over the Company. The Company’s ultimate parent and ultimate controlling party is Ta Chen Stainless Pipe Co., Ltd..

Details of transactions between the Group and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Ultimate related Party Category
Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent entity
Brighton-Best International (Taiwan) Inc.	Parent entity
Ta Chen Lung Mei Home Life Co., Ltd.	Fellow Company
Victor, Hsieh	Related party in substance, director of ultimate parent entity since June 26, 2023 (Note)

Note : Refer to Note 13 about the land ownership registered under the related party's name.

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Operating revenue	Ultimate parent entity		
	Ta Chen Stainless Pipe Co., Ltd.	$ 391	$ 69
	Fellow Company		
	Ta Chen Lung Mei Home Life Co., Ltd.	102,782	90,793
		$ 103,173	$ 90,862

The sale prices and terms to related parties were not significantly different from those for non-related parties.

c. Purchases

Related Party Category/Name	For the Year Ended December 31 2025	2024
Ultimate parent entity		
Ta Chen Stainless Pipe Co., Ltd.	$ 58,401	$ 46,310
Fellow Company		
Ta Chen Lung Mei Home Life Co., Ltd.	-	29
	$ 58,401	$ 46,339

The Group does not have identical products for comparison with the purchase price of the related party. The payment term for related parties is 30 days from the monthly settlement.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Accounts receivable from related parties	Ultimate parent entity		
	Ta Chen Stainless Pipe Co., Ltd.	$ 93	$ -
	Fellow Company		
	Ta Chen Lung Mei Home Life Co., Ltd.	9,587	11,419
		$ 9,680	$ 11,419

The outstanding accounts receivable from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment losses were recognized for accounts receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Accounts payable	Ultimate parent entity		
	Ta Chen Stainless Pipe Co., Ltd.	$ 5,353	$ 8,325
	Fellow Company		
	Ta Chen Lung Mei Home Life Co., Ltd.	24	312
		$ 5,377	$ 8,637

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

Related Party Category/Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Rental expenses		
Ultimate parent entity		
Ta Chen Stainless Pipe Co., Ltd.	$ 14,400	$ 14,400
Parent entity		
Brighton-Best International (Taiwan) Inc.	13,200	13,200
	$ 27,600	$ 27,600

The Group leased machinery equipment from its ultimate parent entity and parent entity in January 2025 and 2024. The lease term of the contract was one year; the rental is based on similar asset's market rental rates, and fixed lease payments are paid monthly.

g. Other transactions with related parties

Related Party Category/Name	Line Item	For the Year Ended December 31 2025	2024
Fellow Company			
Ta Chen Lung Mei Home Life Co., Ltd.	Operating costs	$ 933	$ 1,021
	Operating expenses	10	734
		$ 943	$ 1,755

h. Remuneration of key management personnel

	For the Year Ended December 31 2025	2024
Short-term employee benefits	$ 4,406	$ 4,866
Post-employment benefits	108	108
	$ 4,514	$ 4,974

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings :

	December 31 2025	2024
Restricted bank deposit (presented under other current financial asset-current)	$ 1,591	$ 4,185
Land	400,025	438,470
Property, plant and equipment, net (except land)	127,086	135,473
	$ 528,702	$ 578,128

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unused letters of credit for purchases raw materials

	December 31 2025	2024
Unused letters of credit	$ 1,992	$ 1,668

b. Notes payable on deposit guarantee for borrowings

	December 31 2025	2024
Notes payable on deposit guarantee	$ 312,000	$ 265,545

c. Guarantee notes as collateral for performance guarantees.

	December 31	
	2025	**2024**
Guarantee notes	$ 1,500	$ 1,500

e. As of December 31, 2025 and 2024, the Group qualified for a subsidy under the "Small and Medium-sized Manufacturing Industry Low-Carbon and Intelligent Upgrading and Transformation Subsidy" of the Ministry of Economic Affairs. The total amount of the guarantee provided by Mega Bank was $10,135 thousand and $3,545 thousand, respectively.

f. As of December 31, 2025 and 2024, the Group had committed to the acquisition of property, plant and equipment with unpaid amounts totaling $37,586 thousand and $13,447 thousand, respectively.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 2,861	31.43 (USD:NTD)	$ 89,935
USD	201	4.0607 (USD:MYR)	6,331
USD	2	6.9907 (USD:RMB)	78
Financial liabilities			
Monetary items			
USD	82	31.43 (USD:NTD)	2,569
USD	456	4.0607 (USD:MYR)	14,344

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 2,961	32.785 (USD:NTD)	$ 97,072
USD	628	4.4727 (USD:MYR)	20,597
USD	2	7.3213 (USD:RMB)	81
Financial liabilities			
Monetary items			
USD	96	32.785 (USD:NTD)	3,136
USD	601	4.4727 (USD:MYR)	19,960

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ (8,473)	1 (NTD:NTD)	$ 11,402
MYR	7.2824 (MYR:NTD)	(5,078)	7.0337 (MYR:NTD)	(852)
		$ (13,551)		$ 10,550

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

6) Intercompany relationships and significant intercompany transactions (Table 4)

b. Information on investees (Table 5)

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the geographical locations and the major products and services.

a. Segment revenue and results

	Taiwan-Automotive parts and components	Taiwan-System cabinet	Eastern South Asia-Automotive parts and components	Other Segments	Adjustments and Eliminations	Consolidated
Year ended December 31, 2025						
Revenue from external customers	$ 618,570	$ 188,448	$ 264,577	$ -	$ -	$ 1,071,595
Inter segment revenue	44,101	-	106,595	-	(150,696)	-
Segment revenue	$ 662,671	$ 188,448	$ 371,172	$ -	$ (150,696)	$ 1,071,595
Segment income (loss)	$ (9,866)	$ (7,675)	$ 14,806	$ -	$ 1,744	$ (991)
Non-operating income and expenses						28,566
Finance costs						(2,203)
Income before income tax						$ 25,372
Year ended December 31, 2024						
Revenue from external customers	$ 670,897	$ 132,926	$ 225,499	$ 7,298	$ -	$ 1,036,620
Inter segment revenue	3,420	-	105,102	-	(108,522)	-
Segment revenue	$ 674,317	$ 132,926	$ 330,601	$ 7,298	$ (108,522)	$ 1,036,620
Segment income (loss)	$ 31,315	$ (28,240)	$ 8,631	$ (1)	$ 8,022	$ 19,727
Non-operating income and expenses						39,979
Finance costs						(2,945)
Income before income tax						$ 56,761

Segment profit represented the profit earned by each segment without income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the chief operating decision maker makes decisions based on segment results, there is no information of assets and liabilities classified for assessment of different business performance and only the results of reportable segments are listed.

b. Revenue from major products

Refer to Note 20 for information of the Group's revenue from continuing operations from its major products and services.

c. Geographical information

The Group operates in two principal geographical locations – Taiwan and Malaysia.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Taiwan	$ 239,335	$ 241,559	$ 1,015,860	$ 933,564
Malaysia	237,245	189,955	272,544	229,448
China	18,277	15,068	-	-
The United States	449,247	471,751	-	-
Others	127,491	118,287	-	-
	$ 1,071,595	$ 1,036,620	$ 1,288,404	$ 1,163,012

Non-current assets excluded those classified as financial instruments, net defined benefit assets - non-current and deferred tax assets.

d. Information about major customers

A single customer's contribution of 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31	
	2025	2024
Customer A	$ 349,361	$ 322,675

TABLE 1

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	Right Way Industrial Co., Ltd. (the "Company")	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables	Y	$ 49,808	$ 47,145	$ 47,145	5.0	1	$ 106,595	-	$ -	None	$ -	$ 106,595	$ 1,116,743

Note 1: The No. column is denoted as follows:

1) Issuer is numbered 0.

2) Investees are numbered starting from 1.

Note 2: The nature of financing is numbered as follows:

1) Business transaction is "1".

2) The need for short-term financing is "2".

Note 3:

1) The need for short-term financing: 15% of the Company's net worth in the most recent audited or reviewed financial statements; Business transaction: to the extent that it does not exceed the amount of business transactions between the two parties, in which the amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

2) Aggregate Financing Limit of the Company is 40% of its net worth in the most recent audited or reviewed financial statements.

Note 4: The transaction was eliminated when preparing the consolidated financial statement.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Right Way Industrial Co., Ltd. (the "Company")	Listed shares - Brighton-Best International (Taiwan) Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	26,449,000	$ 892,654	2.56	$ 892,654	
	Listed shares - ROC Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	12,155,493	108,549	2.92	108,549	

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Right Way Industrial Co., Ltd. (the "Company")	Right Way Industrial (Malaysia) Sdn. Bhd.	Subsidiary	Purchase	$ 106,595	23.82	75 days after monthly closing	No comparable transactions available for comparison	No comparable transactions available for comparison	$ (23,732)	(23.95)	
	Ta Chen Lung Mei Home Life Co., Ltd.	Fellow Company	Sales	(102,782)	(12.08)	30 days after monthly closing	No comparable transactions available for comparison	No comparable transactions available for comparison	9,587	6.99	

Note: The transaction was eliminated when preparing the consolidated financial statement.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Right Way Industrial Co., Ltd. ("Parent")	Right Way Industrial (Malaysia) Sdn. Bhd.	1	Sales	$ 44,101	Based on general transaction price, received 75 days after monthly closing	4.12
			1	Purchase	106,595	Based on general transaction price, payment 75 days after monthly closing	9.95
			1	Other receivables	47,675	No significant difference from general transactions	1.45

Note 1: The No. column is denoted as follows:

1) 0 for Parent entity

2) Subsidiaries are numbered starting from 1

Note 2: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

Note 3: Regarding the ratio of transaction amount to consolidated total sales or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet account and based on accumulated balance to consolidated total sales for profit or loss accounts.

Note 4: Intercompany relationships and significant intercompany transactions that account for less than 1% of the total sales and total assets are not disclosed.

Note 5: The transaction above was eliminated when preparing the consolidated financial statement.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
Right Way Industrial Co., Ltd. (the "Company")	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Automotive and motorcycle piston manufacturing	$ 234,336 (MYR 30,276)	$ 234,336 (MYR 30,276)	28,665,667	79.63	$ 310,941	$ 3,917	$ 4,908	Subsidiary
	Excellent Growth Investments Limited	British Virgin Islands	Investment	626,415	626,415	20,073,457	100	97	1	1	Subsidiary
	Right Way North America Inc.	USA	Automotive and motorcycle engine parts for sale	-	1,575	-	-	-	-	-	Subsidiary (Note 3)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Engineering Sdn. Bhd.	Malaysia	Rod manufacturing	-	55,999 (MYR 7,235)	-	-	-	(13)	-	Subsidiary (Note 4)

Note 1: Subsidiaries were eliminated when preparing the consolidated financial reports.

Note 2: Refer to Table 6 for the information on the investee company in mainland China.

Note 3: Right Way North America Inc. completed its dissolution and liquidation on April 25, 2025, and subsequently remitted its capital on July 23, 2025.

Note 4: TRIM Engineering Sdn. Bhd. applied for liquidation on December 24, 2025, and the relevant liquidation procedures are still in progress.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 4)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Remark
					Outward	Inward (Note 4)							
-	-	$ -	-	$ -	$ -	$ -	$ -	$ -	-	$ -	$ -	$ -	

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31,2025 (Note 4)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Right Way Industrial Co., Ltd. (the "Company")	$ -	$ 534,153 (USD 16,995)	$ 1,675,114 (Note 3)

Note 1: Methods of investment are classified as follows:

1) Direct investment.

2) Investments through Excellent Growth Investments Limited.

3) Others.

Note 2: In the column for investment gain (loss):

If an investee is still in the preparatory stage with no investment gains or losses yet, this information should be disclosed.

Basis of recognition of investment gains or losses should be disclosed for the following:

1) The investee's financial statements were audited and attested by a certified public accounting firm with business relationship with an accounting firm in the Republic of China.

2) The investee's financial statements were audited and attested by certified public accountants from the Republic of China.

3) Others: The financial statements were not audited and attested by certified public accountants.

Note 3: Net equity x 60% = $2,791,857x60% = $1,675,114

Note 4: Besides inwards, related amounts were based on the average exchange rate of the Bank of Taiwan as of December 31, 2025 (NT$31.43 for US$1)