

**SAN SHING FASTECH CORP.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

Table of Contents

Item	Page
1. Cover	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4~8
5. Consolidated Balance Sheets	9
6. Consolidated Statements of Comprehensive Income	10
7. Consolidated Statements of Changes in Equity	11
8. Consolidated Statements of Cash Flows	12
9. Notes to Consolidated Financial Statements	
(1) History and Organization	13
(2) Date and Procedure for Authorization of Financial Statements for Issued	13
(3) Newly Issued or Revised Standards and Interpretations	13~16
(4) Summary of Material Accounting Policies	16~33
(5) Significant Accounting Judgements, Estimates and Assumptions	33~34
(6) Contents of Significant Accounts	35~55
(7) Related Party Transactions	55~57
(8) Assets Pledged as Collateral	58
(9) Significant Contingencies and Unrecognized Contract Commitments	58
(10) Losses due to Major Disaster	58
(11) Significant Subsequent Events	58
(12) Others	58~66
(13) Additional Disclosures	
A. Information on Significant Transactions	66、69~71、73
B. Information on Reinvestments	66、72
C. Information on Investments in Mainland China	66
(14) Segment Information	66~68

REPRESENTATION LETTER

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

Very truly yours,

SAN SHING FASTECH CORP.

Chairman: Chi-Yuan, Ko

March 13, 2026



安永聯合會計師事務所

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Independent Auditors' Report Translated from Chinese

To San Shing Fastech Corp.

Opinion

We have audited the accompanying consolidated balance sheets of San Shing Fastech Corp. and its subsidiaries ("the Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Loss Allowance of Accounts Receivable

As of December 31, 2025, the Group's net accounts receivable amounted to NT\$1,598,685 thousand, representing 18% of the consolidated total assets which is significant for the consolidated financial statements. Since the loss allowance of accounts receivable is measured by the expected credit loss for the duration of the accounts receivable, the measurement of expected credit loss involves making judgement, analysis and estimates, and the result will affect net accounts receivable. Therefore, we considered this a key audit matter.

Our audit procedures included, but are not limited to, assessing the appropriateness of expected credit loss for accounts receivable; understanding and testing the effectiveness of the internal control over accounts receivable collection established by management; sampling customers to perform confirmation and reviewing the collection in subsequent period to evaluate recoverability; testing the accuracy of aging and analyzing changes in aging to assess reasonableness; testing the relevant statistical information of loss rate calculated by rolling rate; considering the rationality of the prospective information and assessing the appropriateness of expected credit loss. Please refer to Note 5 and 6 in notes to the consolidated financial statements.

2. Inventory Valuation

As of December 31, 2025, the Group's net inventories amounted to NT\$1,639,686 thousand, representing 19% of the consolidated total assets which is significant for the consolidated financial statements. Due to a high degree of customization for main finished goods and work in progress, obsolete and slow-moving inventory valuation requires significant judgement of management. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of the internal control over inventory valuation which includes management of the inventory aging; evaluating the appropriateness of accounting policies for obsolete and slow-moving inventory; evaluating the physical inventory stock take plan provided by the management and choosing the significant location to perform the observation and inspect the status for any write-downs or write-offs of inventory; testing the correctness of aging intervals in inventory aging schedule and the appropriateness of the movement and assessing the inventory reserve percentage to confirm the reasonableness of management's determination of the provisions to reduce the valuation of inventory to net realizable value. Please refer to Note 5 and 6 in notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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 2025 consolidated financial statements 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.

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

/s/ Hung, Kuo-Sen

/s/ Chen, Cheng-Chu

Ernst & Young, Taiwan

March 13, 2026

Notice to Readers

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2025	%	December 31, 2024	%
Current assets					
Cash and cash equivalents	4/6.(1)	\$1,426,842	17	\$1,713,468	20
Financial assets at fair value through profit or loss, current	4/6.(2)	134	-	499	-
Financial assets measured at amortized cost, current	4/6.(3)	812,476	9	560,401	6
Notes receivable, net	4/6.(4)&(15)	2,952	-	5,834	-
Accounts receivable, net	4/6.(5)&(15)	1,590,176	18	1,411,066	16
Accounts receivable - related parties, net	4/6.(5)&(15)/7	8,509	-	6,900	-
Other receivables		17,300	-	23,993	-
Other receivables - related parties	7	6	-	-	-
Inventories, net	4/6.(6)	1,639,686	19	1,950,405	22
Prepayments		33,458	-	16,087	-
Other current assets		745	-	-	-
Total current assets		5,532,284	63	5,688,653	64
Non-current assets					
Financial assets measured at amortized cost, non-current	4/6.(3)/8	7,308	-	24,324	-
Property, plant and equipment	4/6.(7)/7/8	3,041,646	35	2,949,364	34
Intangible assets	4/6.(8)&(9)	94,817	1	100,073	1
Deferred tax assets	4/6.(20)	54,602	1	57,118	1
Other non-current assets		24,281	-	16,072	-
Other financial assets - non-current		-	-	16,827	-
Total non-current assets		3,222,654	37	3,163,778	36
Total assets		\$8,754,938	100	\$8,852,431	100

Liabilities and Equity	Notes	December 31, 2025	%	December 31, 2024	%
Current liabilities					
Short-term loans	4/6.(10)	\$1,285	-	\$70,352	1
Financial liabilities at fair value through profit or loss, current	4/6.(11)	7,327	-	5,685	-
Contract liabilities, current	4/6.(14)/7	55,475	1	81,118	1
Notes payable		603	-	694	-
Accounts payable		301,300	3	294,052	3
Accounts payable - related parties	7	11,118	-	2,431	-
Other payables		411,378	5	417,132	5
Other payables - related parties	7	19,363	-	223	-
Current tax liabilities	4	70,172	1	144,300	2
Other current liabilities		5,890	-	14,805	-
Total current liabilities		883,911	10	1,030,792	12
Non-current liabilities					
Deferred tax liabilities	4/6.(20)	260,090	3	249,198	3
Other non-current liabilities	7	57,945	1	46,642	-
Net defined benefit liabilities, non-current	4/6.(12)	13,786	-	31,037	-
Total non-current liabilities		331,821	4	326,877	3
Total liabilities		1,215,732	14	1,357,669	15
Equity attributable to the parent company	4/6.(13)				
Capital					
Common stock		2,949,401	33	2,949,401	33
Capital surplus		429,472	5	429,404	5
Retained earnings					
Legal reserve		1,682,513	19	1,576,625	18
Special reserve		259,309	3	259,309	3
Unappropriated earnings		1,884,532	22	1,979,646	22
Total retained earnings		3,826,354	44	3,815,580	43
Other components of equity		(15,625)	-	(30,711)	-
Total equity attributable to the parent company		7,189,602	82	7,163,674	81
Non-controlling interests	6.(13)	349,604	4	331,088	4
Total equity		7,539,206	86	7,494,762	85
Total liabilities and equity		\$8,754,938	100	\$8,852,431	100

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

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

Accounting	Notes	For the years ended December 31			
		2025	%	2024	%
Operating revenues	4/6.(14)/7	\$6,215,530	100	\$6,819,400	100
Operating costs	4/6.(6)&(8)&(12)&(16)&(17)/7	(4,731,312)	(76)	(5,058,808)	(74)
Gross profit		1,484,218	24	1,760,592	26
Operating expenses	4/6.(8)&(12)&(16)&(17)/7				
Sales and marketing expenses		(282,592)	(5)	(318,165)	(4)
General and administrative expenses		(184,785)	(3)	(180,317)	(3)
Research and development expenses		(36,875)	-	(43,023)	(1)
Subtotal		(504,252)	(8)	(541,505)	(8)
Operating income		979,966	16	1,219,087	18
Non-operating income and expenses	4/6.(18)				
Interest income		32,898	-	31,476	-
Other income		52,970	1	30,217	-
Other gains and losses		58,017	1	60,002	1
Finance costs		(590)	-	(734)	-
Subtotal		143,295	2	120,961	1
Income from continuing operations before income tax		1,123,261	18	1,340,048	19
Income tax expense	4/6.(20)	(218,305)	(3)	(276,612)	(4)
Profit from continuing operations		904,956	15	1,063,436	15
Net income		904,956	15	1,063,436	15
Other comprehensive income (loss)	6.(19)&(20)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans		5,378	-	2,769	-
Income tax related to items that will not be reclassified subsequently		(1,076)	-	(554)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		32,570	-	47,758	1
Income tax related to items that may be reclassified subsequently		(3,772)	-	(5,529)	-
Total other comprehensive income (loss), net of tax		33,100	-	44,444	1
Total comprehensive income		\$938,056	15	\$1,107,880	16
Net income attributable to:					
Stockholders of the parent		\$891,292	15	\$1,056,660	15
Non-controlling interests		13,664	-	6,776	-
		\$904,956	15	\$1,063,436	15
Comprehensive income attributable to:					
Stockholders of the parent		\$910,680	15	\$1,080,994	16
Non-controlling interests		27,376	-	26,886	-
		\$938,056	15	\$1,107,880	16
Earnings per share (NTD)	6.(21)				
Earnings per share-Basic		\$3.02		\$3.58	
Earnings per share-Diluted		\$3.02		\$3.58	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SAN SHING FASTECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Equity Attributable to the Parent Company							Non-Controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations			
Balance as of January 1, 2024	\$2,949,401	\$429,321	\$1,476,544	\$259,309	\$1,905,672	(\$52,830)	\$6,967,417	\$343,485	\$7,310,902
Appropriation and distribution of 2023 retained earnings:									
Legal reserve	-	-	100,081	-	(100,081)	-	-	-	-
Cash dividends	-	-	-	-	(884,820)	-	(884,820)	-	(884,820)
Other changes in capital surplus	-	83	-	-	-	-	83	-	83
Net income for the year ended December 31, 2024	-	-	-	-	1,056,660	-	1,056,660	6,776	1,063,436
Other comprehensive income (loss), net of tax for the year ended December 31, 2024	-	-	-	-	2,215	22,119	24,334	20,110	44,444
Total comprehensive income (loss)	-	-	-	-	1,058,875	22,119	1,080,994	26,886	1,107,880
Changes in non-controlling interests	-	-	-	-	-	-	-	(39,283)	(39,283)
Balance as of December 31, 2024	\$2,949,401	\$429,404	\$1,576,625	\$259,309	\$1,979,646	(\$30,711)	\$7,163,674	\$331,088	\$7,494,762
Balance as of January 1, 2025	\$2,949,401	\$429,404	\$1,576,625	\$259,309	\$1,979,646	(\$30,711)	\$7,163,674	\$331,088	\$7,494,762
Appropriation and distribution of 2024 retained earnings:									
Legal reserve	-	-	105,888	-	(105,888)	-	-	-	-
Cash dividends	-	-	-	-	(884,820)	-	(884,820)	-	(884,820)
Other changes in capital surplus	-	68	-	-	-	-	68	-	68
Net income for the year ended December 31, 2025	-	-	-	-	891,292	-	891,292	13,664	904,956
Other comprehensive income (loss), net of tax for the year ended December 31, 2025	-	-	-	-	4,302	15,086	19,388	13,712	33,100
Total comprehensive income (loss)	-	-	-	-	895,594	15,086	910,680	27,376	938,056
Changes in non-controlling interests	-	-	-	-	-	-	-	(8,860)	(8,860)
Balance as of December 31, 2025	\$2,949,401	\$429,472	\$1,682,513	\$259,309	\$1,884,532	(\$15,625)	\$7,189,602	\$349,604	\$7,539,206

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SAN SHING FASTECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31		Accounting	For the years ended December 31	
	2025	2024		2025	2024
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$1,123,261	\$1,340,048	Acquisition of financial assets measured at amortized cost	(225,872)	(460,420)
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Acquisition of a subsidiary, net of cash acquired	(16,429)	-
Depreciation	166,095	164,659	Acquisition of property, plant and equipment	(160,318)	(119,901)
Amortization	5,256	8,952	Proceeds from disposal of property, plant and equipment	9,117	248
Net (gain) loss of financial assets and liabilities at fair value through profit or loss	(467)	11,660	Increase in other non-current assets	(17,521)	(14,059)
Interest expense	590	734	Interest received	32,898	31,476
Interest income	(32,898)	(31,476)	Net cash used in investing activities	(378,125)	(562,656)
(Gains) on disposal and abandonment of property, plant and equipment	(1,871)	(134)			
Property, plant and equipment transferred to expenses	-	127			
Other	(14,025)	-			
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Mandatorily financial assets at fair value through profit or loss	(19,878)	(5,167)	Increase in short-term loans	-	69,462
Notes receivable	2,882	3,421	Decrease in short-term loans	(69,067)	-
Accounts receivable	(174,880)	(87,665)	Increase in other non-current liabilities	11,303	5,101
Accounts receivable - related parties	790	17,788	Cash dividends	(884,820)	(884,820)
Other receivables	6,693	(213)	Interest paid	(590)	(734)
Other receivables - related parties	(6)	-	Changes in non-controlling interests	(8,860)	(39,283)
Inventories	318,686	(128,882)	Others	68	83
Prepayments	(16,926)	(1,127)	Net cash used in financing activities	(951,966)	(850,191)
Other current assets	(745)	-			
Other financial assets	16,827	1,173			
Contract liabilities	(25,643)	30,145			
Notes payable	(91)	175			
Accounts payable	(10,770)	(106,251)			
Accounts payable - related parties	8,455	(897)			
Other payables	(6,724)	(11,773)			
Other payables - related parties	(6,687)	223			
Other current liabilities	(8,915)	(7,253)			
Net defined benefit liabilities	(11,873)	(10,937)	Effect of exchange rate changes on cash and cash equivalents	10,443	39,855
Cash generated from operations	1,317,136	1,187,330	Net decrease in cash and cash equivalents	(286,626)	(549,785)
Income tax paid	(284,114)	(364,123)	Cash and cash equivalents at beginning of period	1,713,468	2,263,253
Net cash provided by operating activities	1,033,022	823,207	Cash and cash equivalents at end of period	\$1,426,842	\$1,713,468

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SAN SHING FASTECH CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SAN SHING FASTECH CORP. (“the Company”) was incorporated in 1965. The main activities of the Company contains manufacturing, processing, marketing and export business of bolts, nuts, steel wires and related machinery, machinery parts, tools. The Company’s common shares were publicly listed on Taipei Exchange (TPEX) on January 17, 1998 and started to list on Taiwan Stock Exchange Corporation (TWSE) on September 16, 2011.

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

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the years ended December 31, 2025 and 2024 were authorized for issue by the Board of Directors on March 13, 2026.

3. Newly issued or revised standards and interpretations

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

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards , and Interpretations issued, revised or amended which are recognized by the Financial Supervisory Commission (FSC) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

The amendments include:

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

B. Annual Improvements to IFRS Accounting Standards – Volume 11

- a. Amendments to IFRS 1
- b. Amendments to IFRS 7
- c. Amendments to Guidance on implementing IFRS 7
- d. Amendments to IFRS 9
- e. Amendments to IFRS 10
- f. Amendments to IAS 7

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

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

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

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group will apply for standards or interpretations issued by IASB but not yet endorsed by FSC in future periods and the potential impacts arising from the adoption on the Group's financial statements are summarized as follows:

A. *IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"* – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

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

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

B. *IFRS 18 "Presentation and Disclosure in Financial Statements"*

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

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

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

b. Enhanced transparency of management-defined performance measures

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

c. Useful grouping of information in the financial statements

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

The amendments include:

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

The Group is currently evaluating the potential impact of the aforementioned standards and interpretations to the Group's financial position and performance, and the related impact will be disclosed when the evaluation is completed.

4. Summary of material accounting policies

(1) Statement of compliance

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

(2) Basis of preparation

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

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

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

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

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

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

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

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

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

If the Company loses control of a subsidiary, it:

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

SAN SHING FASITECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership	
			Dec. 31, 2025	Dec. 31, 2024
The Company	San Shing Heat-Treating Co., Ltd.	Heat treatment processing business of bolts, nuts, automotive parts, etc.	100.00%	100.00%
The Company	Hexico Enterprises Co., Ltd.	Manufacturing, processing, import and export trading of metal washers, steel wires	95.00%	95.00%
The Company	Leading-Fan Tech International Co., Ltd.	Manufacturing and trading of server computer fan	51.00%	51.00%
The Company	Acku Metal Industries (M) SDN. BHD.	Production and sale of bolts and nuts	57.90%	57.90%
Acku Metal Industries (M) SDN. BHD.	Yeh Chang Heat Treatment (M) SDN. BHD.	Heat treatment processing business of metal products	51.00%	51.00%
Acku Metal Industries (M) SDN. BHD.	Jiwei Industries (M) SDN BHD.	Electroplating processing business of metal products	95.00% (Note)	NA (Note)

Note: Since September 1, 2025, with the acquisition of 95% of the shares, the company is included in the consolidated financial statements. For details, refer to Note 6. (22) Business combinations in the consolidated financial report.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in its functional currency, New Taiwan Dollars ("NT\$"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of *IFRS9 "Financial Instruments"* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(5) Translation of financial statements in foreign currency

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

- A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

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

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

(6) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

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

(8) Financial instruments

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

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

A. Financial assets: recognition and measurement

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

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

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

Financial assets measured at amortized cost

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

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

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

The loss allowance is measured as follow:

- a. At an amount equal to twelve-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- d. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A financial liability is classified as held for trading if:

- a. it is acquired or incurred principally for the purpose of selling it in the near term;
- b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- b. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities measured at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(10) Fair value measurement

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

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

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

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

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

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

(11) Inventories

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Raw materials – Purchase cost on a weighted average method.

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

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

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

(12) Property, plant and equipment

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

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

Buildings	8~60 years
Machinery and equipment	5~12 years
Transportation equipment	2~10 years
Other equipment	2~31 years

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

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

(13) Leases

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

Group as a lessee

The leased assets of the Group meet the criteria for short-term or leases of low-value assets.

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

Group as a lessor

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

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

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

(14) Intangible assets

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

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

	Patents	Technology licenses	Other intangible assets
Useful lives	Finite (4~19 years)	Finite (5 years)	Finite (5 years)
Amortization method used	Amortized on a straight-line basis	Amortized on a straight-line basis	Amortized on a straight-line basis
Internally generated or acquired	Acquired	Acquired	Acquired

(15) Impairment of non-financial assets

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

(16) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(17) Revenue recognition

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

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main product of the Group is fastener products and revenue is recognized based on the consideration stated in the contract. For part sales of goods transactions, they accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Rendering of services

The Group provides services of pre- and post-production of fasteners. The determination of price is different depending on the content of the services: negotiation and quotation basis. As the Group provides wire pickling, wire drawing, heat treatment, surface treatment and testing based on agreements with clients, clients send payment after passing final acceptance and obtaining benefits. Accordingly, the performance obligations are satisfied over time, and the related revenue are recognized after clients' acceptance.

Most of the contractual considerations of the Group are collected evenly throughout the contract period. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

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

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

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

(20) Post-employment benefits

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

(21) Income taxes

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

Current income tax

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

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

Deferred tax

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

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

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

(22) Business combinations and goodwill

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

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

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

5. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

(1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(2) Inventories

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Impairment of non-financial assets

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

(4) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

(5) Income tax

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

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

(6) Accounts receivable – estimation of impairment loss

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Cash on hand & demand deposits	\$686,566	\$937,248
Time deposits (Note)	426,499	248,181
Investments in bonds with resale agreements	313,777	528,039
Total	<u>\$1,426,842</u>	<u>\$1,713,468</u>

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

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

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Foreign currency option contracts	\$134	\$119
Forward currency contracts	—	380
Total	<u>\$134</u>	<u>\$499</u>

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

(3) Financial assets measured at amortized cost

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Time deposits	<u>\$819,784</u>	<u>\$584,725</u>
Current	\$812,476	\$560,401
Non-current	7,308	24,324
Total	<u>\$819,784</u>	<u>\$584,725</u>

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 6. (15) for more details on loss allowance and Note 8 for more details on financial assets measured at amortized cost under pledge. Please refer to Note 12 for more details on credit risk.

(4) Notes receivable and Notes receivable - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Notes receivable	\$2,952	\$5,834
Less: loss allowance	—	—
Subtotal	<u>2,952</u>	<u>5,834</u>
Notes receivable - related parties	—	—
Less: loss allowance	—	—
Subtotal	<u>—</u>	<u>—</u>
Total	<u>\$2,952</u>	<u>\$5,834</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6. (15) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable and Accounts receivable - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Accounts receivable	\$1,569,897	\$1,417,648
Less: loss allowance	(6,721)	(6,582)
Subtotal	1,590,176	1,411,066
Accounts receivable - related parties	8,509	6,900
Less: loss allowance	—	—
Subtotal	8,509	6,900
Total	\$1,598,685	\$1,417,966

Accounts receivable were not pledged.

Accounts receivable are generally on 30~120 day terms. The total carrying amount for the years ended December 31, 2025 and 2024 are NT\$1,605,406 thousand and NT\$1,424,548 thousand, respectively. Please refer to Note 6. (15) for more details on loss allowance of accounts receivable for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Raw materials	\$436,276	\$629,987
Supplies	262,290	270,370
Work in progress	474,752	536,878
Finished goods	466,368	513,170
Total	\$1,639,686	\$1,950,405

The cost of inventories recognized in expenses amounts to NT\$4,731,312 thousand and NT\$5,058,808 thousand, respectively, for the years ended December 31, 2025 and 2024, including the write-down of inventories were NT\$9,000 thousand and NT\$0 thousand.

The aforementioned inventories were not pledged.

(7) Property, plant and equipment

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Owner occupied property, plant and equipment	\$3,041,646	\$2,949,364

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
<u>Cost:</u>							
As at Jan. 1, 2025	\$2,015,551	\$1,552,807	\$3,404,918	\$182,958	\$289,222	\$24,403	\$7,469,859
Additions	—	10,999	104,525	7,412	11,279	26,103	160,318
Acquisitions through business combination	60,897	26,915	39,030	741	9,289	—	136,872
Disposals	—	—	(77,569)	—	(5,706)	—	(83,275)
Transfers	—	862	25,301	—	794	(17,213)	9,744
Exchange differences	5,523	3,840	8,858	678	1,213	—	20,112
As at Dec. 31, 2025	\$2,081,971	\$1,595,423	\$3,505,063	\$191,789	\$306,091	\$33,293	\$7,713,630
As at Jan. 1, 2024	\$2,013,498	\$1,540,054	\$3,347,132	\$179,129	\$272,259	\$16,420	\$7,368,492
Additions	—	7,130	61,254	6,010	17,212	28,295	119,901
Disposals	—	—	(32,673)	(3,104)	(967)	—	(36,744)
Transfers	—	2,645	23,552	—	27	(20,312)	5,912
Exchange differences	2,053	2,978	5,653	923	691	—	12,298
As at Dec. 31, 2024	\$2,015,551	\$1,552,807	\$3,404,918	\$182,958	\$289,222	\$24,403	\$7,469,859
<u>Depreciation and impairment:</u>							
As at Jan. 1, 2025	\$—	(\$1,097,800)	(\$3,064,161)	(\$163,513)	(\$195,021)	\$—	(\$4,520,495)
Depreciation	—	(34,515)	(104,192)	(6,786)	(20,602)	—	(166,095)
Acquisitions through business combination	—	(12,881)	(33,340)	(741)	(7,428)	—	(54,390)
Disposals	—	—	70,348	—	5,681	—	76,029
Exchange differences	—	(2,090)	(3,577)	(481)	(885)	—	(7,033)
As at Dec. 31, 2025	\$—	(\$1,147,286)	(\$3,134,922)	(\$171,521)	(\$218,255)	\$—	(\$4,671,984)
As at Jan. 1, 2024	\$—	(\$1,061,267)	(\$2,993,091)	(\$159,630)	(\$174,288)	\$—	(\$4,388,276)
Depreciation	—	(34,844)	(102,133)	(6,427)	(21,255)	—	(164,659)
Disposals	—	—	32,564	3,104	962	—	36,630
Exchange differences	—	(1,689)	(1,501)	(560)	(440)	—	(4,190)
As at Dec. 31, 2024	\$—	(\$1,097,800)	(\$3,064,161)	(\$163,513)	(\$195,021)	\$—	(\$4,520,495)
<u>Net carrying amount</u>							
As at Dec. 31, 2025	\$2,081,971	\$448,137	\$370,141	\$20,268	\$87,836	\$33,293	\$3,041,646
As at Dec. 31, 2024	\$2,015,551	\$455,007	\$340,757	\$19,445	\$94,201	\$24,403	\$2,949,364

Property, plant and equipment – Due to the land included agricultural-used land adjacent to the factory, the registration of land is unable to be transferred to the Company's own title until the conditions to apply for the certificate of industrial-used land are fulfilled. The Company holds a lien on the land in order to preserve ownership of the asset.

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Intangible assets

	Patents	Goodwill	Other intangible assets	Total
<u>Cost:</u>				
As at Jan 1, 2025	\$202,000	\$94,628	\$379	\$297,007
Addition-acquired separately	—	—	—	—
Derecognition	—	—	—	—
Exchange differences	—	—	—	—
As at Dec. 31, 2025	<u>\$202,000</u>	<u>\$94,628</u>	<u>\$379</u>	<u>\$297,007</u>
As at Jan 1, 2024	\$202,000	\$94,628	\$379	\$297,007
Addition-acquired separately	—	—	—	—
Derecognition	—	—	—	—
Exchange differences	—	—	—	—
As at Dec. 31, 2024	<u>\$202,000</u>	<u>\$94,628</u>	<u>\$379</u>	<u>\$297,007</u>
<u>Amortization and impairment:</u>				
As at Jan 1, 2025	(\$196,820)	\$—	(\$114)	(\$196,934)
Amortization	(5,180)	—	(76)	(5,256)
Derecognition	—	—	—	—
Exchange differences	—	—	—	—
As at Dec. 31, 2025	<u>(\$202,000)</u>	<u>\$—</u>	<u>(\$190)</u>	<u>(\$202,190)</u>
As at Jan 1, 2024	(\$187,944)	\$—	(\$38)	(\$187,982)
Amortization	(8,876)	—	(76)	(8,952)
Derecognition	—	—	—	—
Exchange differences	—	—	—	—
As at Dec. 31, 2024	<u>(\$196,820)</u>	<u>\$—</u>	<u>(\$114)</u>	<u>(\$196,934)</u>
<u>Net carrying amount as at:</u>				
As at Dec. 31, 2025	<u>\$—</u>	<u>\$94,628</u>	<u>\$189</u>	<u>\$94,817</u>
As at Dec. 31, 2024	<u>\$5,180</u>	<u>\$94,628</u>	<u>\$265</u>	<u>\$100,073</u>

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

	For the years ended December 31	
	2025	2024
Operating costs	<u>\$5,256</u>	<u>\$8,952</u>
Operating expenses	<u>\$—</u>	<u>\$—</u>

(9) Impairment testing of goodwill

The Group's goodwill allocated to the cash-generating units is expected to benefit from synergies of the business combination. Key assumptions used in impairment testing are as follows:

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from financial budgets approved by management covering a five-year period. The projected cash flows reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections for the years ended December 31, 2025 and 2024 were 8% and 9%, respectively. The benefit of ownership of patented technology with innovative industry by acquiring Hexico Enterprises Co., Ltd., the Group could produce the higher quality of specific products than the others using traditional punch processing. As a result of the analysis, the Group did not identify any impairment for the goodwill of NT\$94,628 thousand.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

- A. Gross margin
- B. Growth rates
- C. Discount rates

Gross margins - Management determines budgeted gross margin based on past performance and its expectations of market development.

Growth rates - The weighted average growth rates used by management are consistent with the forecasts included in industry reports.

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

Sensitivity to changes in assumptions

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

(10) Short-term loans

Details are as follows:

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Unsecured bank loans	\$—	\$70,000
Secured bank loans	1,285	352
	<u>\$1,285</u>	<u>\$70,352</u>
Interest Rates (%)		
Unsecured	—	0.5%
Secured	6%	7.89%
Expiry date	—	114.03.22

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's unused short-term lines of credits amount to NT\$3,880,166 thousand and NT\$4,121,252 thousand as at December 31, 2025 and 2024, respectively.

Certain land and buildings are pledged as first priority security for secured bank loans to the bank, please refer to Note 8 for more details.

(11) Financial liabilities at fair value through profit or loss, current

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Held for trading:		
Derivatives not designated as hedging instruments		
Forward currency contracts	\$5,655	\$701
Foreign currency option contracts	1,672	4,984
Total	<u>\$7,327</u>	<u>\$5,685</u>

(12) Post-employment benefits plan

Defined contribution plan

The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. For the defined contribution plan, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the monthly wages of the employees. The Company and its domestic subsidiaries have made monthly contributions of 6% based on each individual employee's salary or wage to employees' pension accounts subject to the plan.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT\$56,654 thousand and NT\$56,133 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 9% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$5,338 thousand to its defined benefit plan during the twelve months after December 31, 2025.

The average duration of the defined benefits plan obligation as at December 31, 2025 and 2024 are both 15 years.

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

	For the years ended December 31	
	2025	2024
Current period service costs	\$131	\$131
Net interest expense of net defined benefit liability (asset)	449	557
Total	<u>\$580</u>	<u>\$688</u>

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

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Present value of the defined benefit obligation	\$22,897	\$68,107
Plan assets at fair value	(9,111)	(37,070)
Other non-current liabilities - accrued pension liabilities (assets) recognized on the balance sheets	<u>\$13,786</u>	<u>\$31,037</u>

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

	Present value of the defined benefit obligation	Plan assets at fair value	Net defined benefit liability (asset)
As at Jan. 1, 2025	\$68,107	(\$37,070)	\$31,037
Current period service costs	131	—	131
Net interest expense (income)	771	(322)	449
Subtotal	69,009	(37,392)	31,617
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	298	—	298
Experience adjustments	(4,462)	—	(4,462)
Remeasurements of the defined benefit assets	—	(1,214)	(1,214)
Subtotal	<u>(4,164)</u>	<u>(1,214)</u>	<u>(5,378)</u>
Payments from the plan	(41,948)	41,948	—
Contributions by employer	—	(12,453)	(12,453)
As at Dec. 31, 2025	<u>\$22,897</u>	<u>(\$9,111)</u>	<u>\$13,786</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Present value of the defined benefit obligation	Plan assets at fair value	Net defined benefit liability (asset)
As at Jan. 1, 2024	\$73,041	(\$28,298)	\$44,743
Current period service costs	131	—	131
Net interest expense (income)	714	(157)	557
Subtotal	73,886	(28,455)	45,431
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(1,925)	—	(1,925)
Experience adjustments	770	—	770
Remeasurements of the defined benefit assets	—	(1,614)	(1,614)
Subtotal	(1,155)	(1,614)	(2,769)
Payments from the plan	(4,624)	4,624	—
Contributions by employer	—	(11,625)	(11,625)
As at Dec. 31, 2024	\$68,107	(\$37,070)	\$31,037

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

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Discount rate	1.49%	1.58%
Expected rate of salary increases	2.80%	2.80%

Sensitivity analysis of each significant actuarial assumption:

	For the years ended December 31			
	2025		2024	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	—	\$1,600	—	\$3,608
Discount rate decrease by 0.5%	\$1,743	—	\$3,937	—
Future salary increase by 0.5%	\$1,712	—	\$3,868	—
Future salary decrease by 0.5%	—	\$1,587	—	\$3,584

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(13) Equities

A. Common stock

The Company's authorized capital were both NT\$3,000,000 thousand as at December 31, 2025 and 2024. The Company's issued capital were both NT\$2,949,401 thousand, divided into 294,940 thousand shares as at December 31, 2025 and 2024, each at a par value of NT\$10.

B. Capital surplus

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Additional paid-in capital	\$123,182	\$123,182
Treasury share transactions	299,415	299,415
Other	6,875	6,807
Total	<u>\$429,472</u>	<u>\$429,404</u>

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

C. Retained earnings and dividend policy

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

- a. Payment of all taxes and dues.
- b. Offset prior year's operation losses.
- c. Legal reserve, which is 10% of leftover profits.
- d. Allocation or reverse of special reserves as required by law or competent authorities.
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The above distribution of dividends to shareholders, if carried out in the form of cash payment, shall be authorized by a resolution passed by a two-thirds majority of the directors present at the meeting, with a quorum of more than half of the directors present, and shall be reported to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The distribution of dividends may not be lower than 10% of distributable surplus annually. No dividend will be distributed if the accumulated distributable surplus is less 2% of the paid-in capital. In the case of distribution of dividends, the cash dividends should take precedence over share dividends, of which the cash dividend ratio shall not be less than 50% of the total dividends distributed.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

When distributing the distributable earnings, the Company retroactively sets aside a special reserve for the difference between the balance of the special reserve and the net deduction of other equity items as per law when the IFRS is adopted for the first time. If there is a subsequent reversal of the net deduction of other equity, the special reserve may be reversed for the portion of the net deduction of other equity reversed to distribute earnings.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

The Company's special reserve set aside for the first-time adoption of IFRS amounted NT\$ 259,309 thousand as of December 31, 2025 and 2024. There is no change during the period.

Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 13, 2026 and June 19, 2025, respectively, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (NT\$)</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Legal reserve (Note)	<u>\$89,559</u>	<u>\$105,888</u>		
Common stock - cash dividend	<u>\$805,187</u>	<u>\$884,820</u>	<u>\$2.73</u>	<u>\$3.00</u>

The Company approved to distribute NT\$79,634 thousand in capital surplus with NT\$0.27 per share by the board of directors' meeting held on March 13, 2026.

Note: Legal reserve for 2025 is subject to the resolution of shareholders' meeting which will be held on June 18, 2026.

Please refer to Note 6. (17) for details on employees' compensation and remuneration to directors.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Non-controlling interests

	For the years ended December 31	
	2025	2024
Beginning balance	\$331,088	\$343,485
Profit attributable to non-controlling interests	13,664	6,776
Other comprehensive income (loss), attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	13,712	20,110
Changes in non-controlling interests	(8,860)	(39,283)
Ending balance	<u>\$349,604</u>	<u>\$331,088</u>

(14) Operating revenue

	For the years ended December 31	
	2025	2024
Revenue from contracts with customers		
Sale of goods	\$6,119,247	\$6,711,357
Rendering of services	94,240	106,000
Other operating revenue	2,043	2,043
Total	<u>\$6,215,530</u>	<u>\$6,819,400</u>

Information on revenue from contracts with customers during the years ended December 31, 2025 and 2024 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2025:

	Fastener Dept.	Machine / Tooling Dept.	Other Dept.	Total
Sale of goods	\$5,319,859	\$715,074	\$84,314	\$6,119,247
Rendering of services	94,240	—	—	94,240
Other	—	—	2,043	2,043
Total	<u>\$5,414,099</u>	<u>\$715,074</u>	<u>\$86,357</u>	<u>\$6,215,530</u>

Timing of revenue recognition:

At a point in time	\$5,319,859	\$715,074	\$84,314	\$6,119,247
Over time	94,240	—	2,043	96,283
Total	<u>\$5,414,099</u>	<u>\$715,074</u>	<u>\$86,357</u>	<u>\$6,215,530</u>

For the year ended December 31, 2024:

	Fastener Dept.	Machine / Tooling Dept.	Other Dept.	Total
Sale of goods	\$5,845,573	\$721,207	\$144,577	\$6,711,357
Rendering of services	106,000	—	—	106,000
Other	—	—	2,043	2,043
Total	<u>\$5,951,573</u>	<u>\$721,207</u>	<u>\$146,620</u>	<u>\$6,819,400</u>

Timing of revenue recognition:

At a point in time	\$5,845,573	\$721,207	\$144,577	\$6,711,357
Over time	106,000	—	2,043	108,043
Total	<u>\$5,951,573</u>	<u>\$721,207</u>	<u>\$146,620</u>	<u>\$6,819,400</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Contract balances

Contract liabilities, current

	As at		
	Dec. 31, 2025	Dec. 31, 2024	Jan. 01, 2024
Sale of goods	\$55,475	\$81,118	\$50,973

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

	For the years ended December 31	
	2025	2024
The beginning balance transferred to revenue	\$66,437	\$28,622
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	\$40,794	\$58,767

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT\$55,475 thousand and NT\$81,118 thousand as at December 31, 2025 and 2024, respectively. The Group will recognize revenue as the Group satisfies its performance obligations over time that aligns with progress toward completion of a contract in the future. The estimate of the transaction price does not include any estimated amounts of variable consideration that are constrained.

D. Assets recognized from costs to fulfil a contract

None.

(15) Expected credit losses

	For the years ended December 31	
	2025	2024
Operating expenses - expected credit losses		
Notes receivable	\$—	\$—
Accounts receivable	—	—
Subtotal	—	—
Non-operating income and expenses - expected credit losses		
Financial assets measured at amortized cost	—	—
Total	\$—	\$—

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets measured at amortized cost is assessed as low as at December 31, 2025 and 2024. Considering all counterparties are the financial institutions with good credit rating, there is no need for the provision for expected credit losses.

The Group measures the loss allowance of its accounts receivable (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at December 31, 2025 and 2024 are as follows:

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group considers the grouping of accounts receivable by counterparties' credit rating, which the Group evaluates specific groups of counterparties individually, the total book value of accounts receivable that are more than one year overdue is NT\$5,211 thousand and NT\$5,084 thousand, respectively, should be recognized 100% loss allowance, and the remaining is measured by using a provision matrix. Details are as follows:

As at December 31, 2025

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$1,159,243	\$263,721	\$132,186	\$29,895	\$7,438	\$10,664	\$1,603,147
Loss ratio	0%	0%	0%	1%	0%	10%	
Lifetime expected credit losses	—	—	—	(399)	—	(1,111)	(1,510)
Subtotal	\$1,159,243	\$263,721	\$132,186	\$29,496	\$7,438	\$9,553	\$1,601,637
Carrying Amount							<u>\$1,601,637</u>

As at December 31, 2024

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$1,047,509	\$325,342	\$42,848	\$7,908	\$1,668	\$23	\$1,425,298
Loss ratio	0%	0%	1%	10%	20%	30%	
Lifetime expected credit losses	—	—	(188)	(969)	(334)	(7)	(1,498)
Subtotal	\$1,047,509	\$325,342	\$42,660	\$6,939	\$1,334	\$16	\$1,423,800
Carrying Amount							<u>\$1,423,800</u>

Note: The Group's notes receivable are not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable during the years ended December 31 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable
As at January 1, 2025	\$—	\$6,582
Addition for the current period	—	—
The effect of exchange rate changes	—	139
As at December 31, 2025	<u>\$—</u>	<u>\$6,721</u>
As at January 1, 2024	\$—	\$16,837
Write off	—	(10,465)
The effect of exchange rate changes	—	210
As at December 31, 2024	<u>\$—</u>	<u>\$6,582</u>

(16) Lease

A. Group as a lessee

The Group leases various properties, including building and office equipment. The lease terms range from 1 to 3 years.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's leases effect on the financial performance is as follows:

Income and costs relating to leasing activities

	For the years ended December 31	
	2025	2024
The expenses relating to short-term leases	\$4,965	\$4,322
The expenses relating to leases of low-value assets	956	1,113
Total	\$5,921	\$5,435

(17) Summary statement of employee benefits, depreciation and amortization expenses by function are as follows:

By feature \ By function	For the years ended December 31					
	2025			2024		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$960,620	171,127	\$1,131,747	\$1,018,840	175,025	\$1,193,865
Labor and health insurance	\$96,916	15,198	\$112,114	\$96,365	14,723	\$111,088
Pension	\$48,464	8,770	\$57,234	\$48,204	8,617	\$56,821
Director's remuneration	\$—	8,781	\$8,781	\$—	7,552	\$7,552
Other employee benefits expense	\$71,675	10,713	\$82,388	\$69,510	10,054	\$79,564
Depreciation	\$143,448	22,647	\$166,095	\$142,823	21,836	\$164,659
Amortization	\$5,256	—	\$5,256	\$8,952	—	\$8,952

According to the Articles of Incorporation, no less than 1.5% of profit of the current year is distributable as employees' compensation (No less than 70% of the employee compensation amount shall be distributed to frontline employees.) and no more than 1% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the years ended December 31, 2025 and 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors for the years ended December 31, 2025 and 2024 to be 1.5% of profit of the current year and 0% of profit of the current year, respectively, recognized as employee benefits expense. Differences between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors would be recognized in profit or loss of the subsequent year. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A resolution was passed at a board of directors meeting held on March 13, 2026 to distribute NT\$16,300 thousand and NT\$0 thousand in cash as employees' compensation and remuneration to directors of 2025, respectively. No material differences existed between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors for the year ended December 31, 2025.

No material differences existed between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors for the year ended December 31, 2024.

(18) Non-operating income and expenses

A. Interest income

	For the years ended December 31	
	2025	2024
Financial assets measured at amortized cost	\$32,898	\$31,476

B. Other income

	For the years ended December 31	
	2025	2024
Bargain purchase gains	\$10,829	\$—
Government grants	9,450	8,440
Other income - other	32,691	21,777
Total	\$52,970	\$30,217

C. Other gains and losses

	For the years ended December 31	
	2025	2024
Gains on disposal of property, plant and equipment	\$1,871	\$134
Foreign exchange gains	78,576	71,968
(Losses) on financial assets / liabilities at fair value through profit or loss	(21,885)	(11,660)
Others	(545)	(440)
Total	\$58,017	\$60,002

D. Finance costs

	For the years ended December 31	
	2025	2024
Interest on borrowings from bank	(\$590)	(\$734)

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(19) Components of other comprehensive income

For the year ended December 31, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income, net of tax
Items that will not to be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans	\$5,378	\$—	\$5,378	(\$1,076)	\$4,302
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	32,570	—	32,570	(3,772)	28,798
Total other comprehensive income (loss)	<u>\$37,948</u>	<u>\$—</u>	<u>\$37,948</u>	<u>(\$4,848)</u>	<u>\$33,100</u>

For the year ended December 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income, net of tax
Items that will not to be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans	\$2,769	\$—	\$2,769	(\$554)	\$2,215
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	47,758	—	47,758	(5,529)	42,229
Total other comprehensive income (loss)	<u>\$50,527</u>	<u>\$—</u>	<u>\$50,527</u>	<u>(\$6,083)</u>	<u>\$44,444</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the years ended December 31	
	2025	2024
Current income tax expense (income):		
Current income tax charge	\$211,612	\$276,378
Adjustments in respect of current income tax of prior periods	(1,867)	(3,597)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	8,560	3,831
Total income tax expense	<u>\$218,305</u>	<u>\$276,612</u>

Income tax relating to components of other comprehensive income (loss)

	For the years ended December 31	
	2025	2024
Deferred tax expense (income):		
Exchange differences on translation of foreign operations	\$3,772	\$5,529
Remeasurements of defined benefit pension plans	1,076	554
Income tax relating to components of other comprehensive income (loss)	<u>\$4,848</u>	<u>\$6,083</u>

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

	For the years ended December 31	
	2025	2024
Accounting profit before tax from continuing operations	<u>\$1,123,261</u>	<u>\$1,340,048</u>
The parent company's statutory income tax rate	\$224,652	\$268,010
Tax effect of revenues exempt from taxation	(22,430)	(30,491)
Tax effect of expenses not deductible for tax purposes	50	54
Tax effect of deferred tax assets / liabilities	(2,765)	(1,151)
Tax effect of statutory rate difference in foreign jurisdiction	27,331	32,882
Adjustments in respect of current income tax of prior periods	(1,867)	(3,597)
Others	(6,666)	10,905
Total income tax expense recognized in profit or loss	<u>\$218,305</u>	<u>\$276,612</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Deferred tax assets / liabilities relate to the following:

For the year ended December 31, 2025				
	Beginning balance as at Jan. 1, 2025	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at Dec. 31, 2025
Temporary differences				
Allowance for inventory valuation losses	\$25,713	\$1,800	\$—	\$27,513
Share of profit (loss) of subsidiaries recognized	(38,460)	6,275	—	(32,185)
Exchange differences on translation of foreign operations	7,678	—	(3,772)	3,906
Net defined benefit liabilities, non-current	6,359	(2,526)	(1,076)	2,757
Reserve for land appreciation tax	(195,992)	—	—	(195,992)
Others	2,622	(14,109)	—	(11,487)
Deferred tax (expense) income		<u>(\$8,560)</u>	<u>(\$4,848)</u>	
Net deferred tax assets / liabilities	<u>(\$192,080)</u>			<u>(\$205,488)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$57,118</u>			<u>\$54,602</u>
Deferred tax liabilities	<u>(\$249,198)</u>			<u>(\$260,090)</u>
For the year ended December 31, 2024				
	Beginning balance as at Jan. 1, 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at Dec. 31, 2024
Temporary differences				
Allowance for inventory valuation losses	\$25,713	\$—	\$—	\$25,713
Share of profit (loss) of subsidiaries recognized	(41,207)	2,747	—	(38,460)
Exchange differences on translation of foreign operations	13,207	—	(5,529)	7,678
Net defined benefit liabilities, non-current	9,052	(2,139)	(554)	6,359
Reserve for land appreciation tax	(195,992)	—	—	(195,992)
Others	7,061	(4,439)	—	2,622
Deferred tax (expense) income		<u>(\$3,831)</u>	<u>(\$6,083)</u>	
Net deferred tax assets / liabilities	<u>(\$182,166)</u>			<u>(\$192,080)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$60,538</u>			<u>\$57,118</u>
Deferred tax liabilities	<u>(\$242,704)</u>			<u>(\$249,198)</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. The assessment of income tax returns

As of December 31, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2023
Subsidiary - San Shing Heat-Treating Co., Ltd.	Assessed and approved up to 2023
Subsidiary - Hexico Enterprise Co., Ltd.	Assessed and approved up to 2023
Subsidiary - Leading-Fan Tech International Co., Ltd.	Assessed and approved up to 2023
Subsidiary - Acku Metal Industries (M) SDN.BHD.	Filed up to 2024
Subsidiary - Yeh Chang Heat Treatment (M) SDN. BHD.	Filed up to 2024
Subsidiary - Jiwei Industries (M) SDN. BHD.	Filed up to 2024

(21) Earnings per share

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

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

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
A. <u>Basic earnings per share</u>		
Net income (in thousand NT\$)	\$891,292	\$1,056,660
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	294,940	294,940
Basic earnings per share (NT\$)	<u>\$3.02</u>	<u>\$3.58</u>
B. <u>Diluted earnings per share</u>		
Net income (in thousand NT\$)	\$891,292	\$1,056,660
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	294,940	294,940
Effect of dilution:		
Employee compensation - stock (in thousands)	290	356
Weighted average number of ordinary shares outstanding after dilution (in thousands)	295,230	295,296
Diluted earnings per share (NT\$)	<u>\$3.02</u>	<u>\$3.58</u>

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(22) Business combinations

Acquisition of JIWEI INDUSTRIES (M) SDN BHD (Abbreviated as Jiwei Industries)

On September 1, 2025, the Group acquired 95% of the voting shares of Jiwei Industries, an unlisted company established in Malaysia specializing in the electroplating processing business of metal products. The Group has acquired Jiwei Industries because it significantly enlarges the range of products that can be offered to its clients.

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

The fair value of the identifiable assets and liabilities of Jiwei Industries as at the date of acquisition were:

	<u>Fair value recognized on the acquisition date</u>
Assets	
Cash and cash equivalents	\$11,120
Accounts receivable	6,768
Inventories	7,967
Prepayments	194
Property, plant and equipment	82,482
Deferred tax assets	10
Refundable deposits	432
	<u>108,973</u>
Liabilities	
Accounts payable	(18,250)
Accrued expenses	(970)
Other payables	(25,827)
	<u>(45,047)</u>
Total identifiable net assets	<u>\$63,926</u>
Bargain purchase gain of Jiwei Industries is as follows:	
Realized fair value of shares held in previous years (51%)	\$22,352
Current cash purchase consideration (44%)	27,549
Add: non-controlling interests at fair value(5%)	3,197
Less: identifiable net assets at fair value	(63,927)
Bargain purchase gain	<u>(\$10,829)</u>
Cash flows from acquisitions:	
Net cash acquired from subsidiaries	\$11,120
Cash payment amount	(27,549)
Net cash flow	<u>(\$16,429)</u>

The fair value and the total contractual amount of the accounts receivable amounted to NT\$6,768 thousand. None of the accounts receivable have been impaired and it is expected that the full contractual amount can be collected.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

From the acquisition date, Jiwei Industries has contributed NT\$17,788 thousand of revenue and NT\$1,593 thousand to the net loss before tax of the Group. If the combination had taken place at the beginning of the year, revenue from the continuing operations would have been NT\$56,129 thousand and the loss from continuing operations for the Group would have been NT\$446 thousand.

7. Related party transactions

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

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Directors	Other related party
Taifas Corporation	Other related party (Director)
Interactive Corporation	Other related party
Sun Through Industrial Co., Ltd. (Sun Through)	Other related party
Masda Chemical SDN. BHD. (Masda)	Other related party
Wonsan Steel Enterprises Ltd.	Other related party
Kuan Meis Co., Ltd.	Other related party
Taieag Corporation	Other related party
Tainan San Shing Social Welfare and Charity Foundation	Other related party

Significant transactions with the related parties

(1) Sales

	For the years ended December 31	
	2025	2024
Other related party		
Taifas Corporation	\$97,382	\$104,741
Interactive Corporation	83,682	123,080
Wonsan Steel Enterprises Ltd.	—	20,383
Total	<u>\$181,064</u>	<u>\$248,204</u>

Sales to related parties are basically the same as those to third parties. The collection terms are opened sight letter of credit or net 30 days.

(2) Purchases

	For the years ended December 31	
	2025	2024
Other related party		
Interactive Corporation	\$101,574	\$399
Taieag Corporation	49,812	90,048
Sun Through	16,297	16,618
Masda	2,243	2,661
Wonsan Steel Enterprises Ltd.	1,877	8,572
Total	<u>\$171,803</u>	<u>\$118,298</u>

Purchase from related parties was basically the same as those from third parties. The payment terms are after receipt of goods.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Accounts receivable - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Taifas Corporation	\$8,509	\$6,900

(4) Accounts payable - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Interactive Corporation	\$5,067	\$—
Taieag Corporation	4,496	556
Sun Through	967	1,470
Masda	588	405
Total	\$11,118	\$2,431

(5) Other receivables - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Taieag Corporation	\$6	\$—

(6) Other payables - related parties

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Directors	\$19,363	\$—
Interactive Corporation	—	223
Total	\$19,363	\$223

(7) Contract liabilities, current

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Taifas Corporation	\$718	\$1,908

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Other non-current liabilities - guarantee deposits received

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Other related party		
Taifas Corporation	\$3,756	\$3,376
Kuan Meis Co., Ltd.	74	74
Total	<u>\$3,830</u>	<u>\$3,450</u>

(9) Property transactions

Acquisition of property, plant and equipment

	Purchase price	
	For the years ended December 31	
	2025	2024
Other related party		
Interactive Corporation	\$2,100	\$—
Wonsan Steel Enterprises Ltd.	—	\$8,875
Taifas Corporation	—	2,783
Total	<u>\$2,100</u>	<u>\$11,658</u>

The terms of property transactions with the related parties are mainly based on the results of market survey and the contract between the parties.

(10) Operating expenses - donations

	For the years ended December 31	
	2025	2024
Other related party		
Tainan San Shing Social Welfare and Charity Foundation	\$5,000	\$5,000

(11) Other

- A. For 2025 and 2024, the Group paid NT\$0 thousand and NT\$440 thousand for processing fee to the other related party - Wonsan Steel Enterprises Ltd. and NT\$0 thousand and NT\$693 thousand for miscellaneous purchase, which was recorded under manufacturing overhead.
- B. For 2025 and 2024, the Group paid NT\$3,600 thousand and NT\$3,000 thousand for rental expense, and NT\$2,400 and NT\$600 thousand for professional service fee to the other related party - Taieag Corporation, which was recorded under sales and marketing expenses. The rental terms are determined by mutual agreement between both parties, and the rent is paid monthly according to the lease agreement.

(12) Key management personnel compensation

	For the years ended December 31	
	2025	2024
Short-term employee benefits	<u>\$23,715</u>	<u>\$22,412</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Assets pledged as collateral

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

Items	As at		Secured liabilities
	Dec. 31, 2025	Dec. 31, 2024	
Property, plant and equipment - land and buildings	\$1,508,842	\$1,509,846	Line of credit
Financial assets measured at amortized cost	6,292	24,273	Import tariffs & Subsidy from the Ministry of Economic Affairs
Total	<u>\$1,515,134</u>	<u>\$1,534,119</u>	

9. Significant contingencies and unrecognized contract commitments

- (1) As of December 31, 2025, outstanding letters of credit with unused credit line amounted USD906 thousand and NT\$49,662 thousand.
- (2) The guaranteed note for purchasing the raw materials from China Steel Corporation amounted NT\$92,000 thousand.
- (3) The guaranteed note for borrowings from the financial institutions amounted NT\$1,486,000 thousand.
- (4) The guaranteed note for purchasing natural gas from Shin Nan Natural Gas Co., Ltd. amounted NT\$350 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

- (1) Categories of financial instruments

Financial Assets

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Financial assets at fair value through profit and loss:		
Mandatorily measured at fair value through profit or loss	\$134	\$499
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,426,171	1,712,518
Financial assets measured at amortized cost	819,784	584,725
Notes receivable	2,952	5,834
Accounts receivable	1,598,685	1,417,966
Other receivables	17,306	23,993
Other non-current assets - refundable deposits	2,594	5,917
Other financial assets - non-current	—	16,827
Subtotal	<u>3,867,492</u>	<u>3,767,780</u>
Total	<u>\$3,867,626</u>	<u>\$3,768,279</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial Liabilities

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Financial liabilities measured at amortized cost:		
Short-term borrowings	\$1,285	\$70,352
Payables	743,762	714,532
Other non-current liabilities - guarantee deposits received	57,945	46,642
Subtotal	802,992	831,526
Financial liabilities at fair value through profit or loss:		
Held for trading	7,327	5,685
Total	\$810,319	\$837,211

(2) Financial risk management objectives and policies

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

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

(3) Market risk

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

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

Foreign currency risk

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

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

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and EUR. The information of the sensitivity analysis is as follows:

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- A. When NTD strengthens / weakens against USD by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased / increased by NT\$7,131 thousand and NT\$7,064 thousand, respectively.
- B. When NTD strengthens / weakens against EUR by 1%, the profit for the years ended December 31, 2025 and 2024 is decreased / increased by NT\$9,651 thousand and NT\$7,171 thousand, respectively.

Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to increase / decrease by NT\$2,245 thousand and NT\$2,244 thousand, respectively.

Equity price risk

The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

(4) Credit risk management

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

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

As of December 31, 2025 and 2024, accounts receivable from top ten customers represented 63% and 59% of the total accounts receivable of the Group. The credit concentration risk of other accounts receivable was insignificant.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of accounts receivable measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The impairment assessment method and related indicators of debt instrument investments are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Total carrying amount as at	
			Dec. 31, 2025	Dec. 31, 2024
Low credit risk	Debt instruments with credit rating above BBB and counterparty with good credit risk	12-month expected credit losses	\$469,645	\$273,462
Simplified approach (Note)	(Note)	Lifetime expected credit losses	\$1,543,392	\$1,280,194

Note: By using simplified approach loss allowance is measured at (lifetime expected credit losses), including notes receivable and accounts receivable.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investments has increased, the Group will dispose that investments in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which available without undue cost and effort), it is mainly based on the macroeconomic information and industrial information (including the indicators such as industry growth rate) and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

(5) Liquidity risk management

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As at Dec. 31, 2025					
Loans	\$1,285	—	—	—	\$1,285
Payables	\$743,762	—	—	—	\$743,762
Guarantee deposits received	\$—	57,945	—	—	\$57,945

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As at Dec. 31, 2024					
Loans	\$70,352	—	—	—	\$70,352
Payables	\$714,532	—	—	—	\$714,532
Guarantee deposits received	\$—	46,642	—	—	\$46,642

Derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As at Dec. 31, 2025					
Forward currency contracts and Foreign currency option contracts					
Inflow	\$285,892	\$—	\$—	\$—	\$285,892
Outflow	(291,161)	—	—	—	(291,161)
Net cash flow	<u>(\$5,269)</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>(\$5,269)</u>

As at December 31, 2024: None

The table above contains the undiscounted net cash flows of derivative financial instruments.

(6) Reconciliation of liabilities arising from financing activities

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

	<u>Short-term loans</u>	<u>Other non-current liabilities</u>	<u>Total liabilities from financing activities</u>
As of Jan. 1, 2025	\$70,352	\$46,642	\$116,994
Cash flows	(69,067)	11,303	(57,764)
As of Dec. 31, 2025	<u>\$1,285</u>	<u>\$57,945</u>	<u>\$59,230</u>

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

	<u>Short-term loans</u>	<u>Other non-current liabilities</u>	<u>Total liabilities from financing activities</u>
As of Jan. 1, 2024	\$890	\$41,541	\$42,431
Cash flows	69,462	5,101	74,563
As of Dec. 31, 2024	<u>\$70,352</u>	<u>\$46,642</u>	<u>\$116,994</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Fair values of financial instruments

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

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

- a. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

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

(8) Derivative financial instruments

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

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Items (by contract)	Notional Amount		Contract Period
As at December 31, 2025			
Sell EUR / Buy NTD	EUR	4,265	2025.09.17～2026.02.10
Sell USD / Buy MYR	USD	400	2025.12.26～2026.02.27

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Items (by contract)	Notional Amount		Contract Period
As at December 31, 2024			
Sell EUR / Buy NTD	EUR	3,560	2024.11.20~2025.03.04
Sell EUR / Buy USD	EUR	3,000	2024.11.22~2025.03.14
Sell USD / Buy MYR	USD	700	2024.12.17~2025.03.28

Foreign currency option contracts

The Group entered into foreign currency option contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to foreign currency option contracts:

Items (by contract)	Notional Amount		Contract Period
As at December 31, 2025			
Sell USD calls	USD	3,850	2025.12.01~2026.02.13

Items (by contract)	Notional Amount		Contract Period
As at December 31, 2024			
Sell USD calls	USD	9,500	2024.10.04~2025.04.01
Sell EUR calls	EUR	5,310	2024.11.08~2025.04.01

With regard to the forward currency contracts and the foreign currency option contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant. Hedge accounting is not applied as the aforementioned contracts did not qualify for hedge accounting criteria.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy:

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

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

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

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Foreign currency option contracts	\$—	134	—	\$134
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	\$—	5,655	—	\$5,655
Foreign currency option contracts	\$—	1,672	—	\$1,672

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$—	380	—	\$380
Foreign currency option contracts	\$—	119	—	\$119
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Foreign currency option contracts	\$—	4,984	—	\$4,984
Forward currency contracts	\$—	701	—	\$701

Transfers between Level 1 and Level 2 during the period

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

(10) Significant assets and liabilities denominated in foreign currencies

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

	As at December 31, 2025		
	Foreign currencies (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
EUR	\$26,125	36.940	\$965,051
USD	\$22,873	31.438	\$719,086
	As at December 31, 2024		
	Foreign currencies (thousand)	Foreign exchange rate	NTD (thousand)
Financial assets			
Monetary items:			
USD	\$21,570	32.781	\$707,075
EUR	\$21,005	34.140	\$717,119

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Group's function currency is various, and hence is not able to disclose the information of exchange gains or losses by each significant assets and liabilities denominated in foreign currencies. The exchange gains of monetary financial assets and liabilities were NT\$78,576 thousand and NT\$71,968 thousand for the years ended December 31, 2025 and 2024, respectively

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the stockholders' value. To maintain or adjust the capital structure, the Group may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares.

13. Additional disclosures

(1) Information on significant transactions and reinvestments

- A. Financing provided to others for the year ended December 31, 2025: Please refer to Attachment 1.
- B. Endorsement / Guarantee provided to others for the year ended December 31, 2025: Please refer to Attachment 2.
- C. Securities held as of December 31, 2025: None.
- D. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2025: Please refer to Attachment 3.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2025: None.
- F. Investees over whom the Company exercises significant influence or control directly or indirectly (excluding investment in Mainland China): Please refer to Attachment 4.
- G. Other: Intercompany relationships and significant intercompany transactions: Please refer to Attachment 5.

(2) Information on investments in mainland China: Not applicable.

14. Segment information

For management purposes, the Group is organized into business units based on different products and services and has three reportable segments as follows:

- (1) Fastener Segment: The segment focuses on manufacturing and marketing of bolts, nuts and washers, processing of wires and heat treatment.
- (2) Machine / Tooling Segment: The segment focuses on manufacturing and marketing of toolings and machines.
- (3) Other Operation Segment: The segment focuses on marketing of wires, investments and other financial income and expenditure, etc.

No operating segments have been aggregated to form the above reportable operating segments.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statement. However, group assets, liabilities and income taxes are managed on a group basis and are not allocated to operating segments.

The transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(1) Segment profit and loss information:

For the year ended December 31, 2025

	Fastener Dept.	Machine / Tooling Dept.	Other	Adjustment and Elimination	Consolidated
Revenue					
External customer	\$5,414,099	\$715,074	\$86,357	\$—	\$6,215,530
Inter-segment (Note)	15,579	281,314	122,502	(419,395)	—
Total revenue	<u>\$5,429,678</u>	<u>\$996,388</u>	<u>\$208,859</u>	<u>(\$419,395)</u>	<u>\$6,215,530</u>
Segment profit	<u>\$863,379</u>	<u>\$161,346</u>	<u>\$98,536</u>	<u>\$—</u>	<u>\$1,123,261</u>

For the year ended December 31, 2024

	Fastener Dept.	Machine / Tooling Dept.	Other	Adjustment and Elimination	Consolidated
Revenue					
External customer	\$5,951,573	\$721,207	\$146,620	\$—	\$6,819,400
Inter-segment (Note)	652	295,346	145,062	(441,060)	—
Total revenue	<u>\$5,952,225</u>	<u>\$1,016,553</u>	<u>\$291,682</u>	<u>(\$441,060)</u>	<u>\$6,819,400</u>
Segment profit	<u>\$1,033,572</u>	<u>\$194,506</u>	<u>\$111,970</u>	<u>\$—</u>	<u>\$1,340,048</u>

Note: Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column.

(2) Geographical information:

A. Sales to other than consolidated entities

	For the years ended December 31	
	2025	2024
Germany	\$1,695,559	\$1,693,593
U.S.A.	1,561,101	1,997,018
Taiwan	562,937	730,496
Others	<u>2,395,933</u>	<u>2,398,293</u>
Total	<u>\$6,215,530</u>	<u>\$6,819,400</u>

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Non-current assets

	As at	
	Dec. 31, 2025	Dec. 31, 2024
Taiwan	\$2,914,584	\$2,958,445
Others	221,879	90,992
Total	<u>\$3,136,463</u>	<u>\$3,049,437</u>

(3) Major customers

Individual customer's revenue exceeding 10% of the Group's operating revenues for the years ended December 31, 2025 and 2024 were as follows:

Customers	For the years ended December 31			
	2025		2024	
	Amounts	Percentage	Amounts	Percentage
E1	\$850,592	14%	\$786,082	12%
N1	743,916	12%	737,317	11%

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 1

Financing provided to others:

No. (Note 1)	Financing Company	Counter-party	Financial statement account (Note 2)	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 8)	Amount actually drawn	Interest rate	Nature of financing (Note 4)	Transaction amounts (Note 5)	Reason for financing (Note 6)	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 7)	Limit of total financing amount (Note 7)
													Item	Value		
1	Acku Metal Industries (M) SDN. BHD.	Jiwei Industries (M) SDN. BHD.	Other receivables - related parties	Yes	\$9,771	\$7,745	\$7,745	—	1	\$36,654 (Note 9)	—	\$—	—	—	\$18,327	\$718,960

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

- 1.The Company is coded “0”.
- 2.The subsidiaries are coded from “1” in the order.

Note 2: Receivables from affiliates and related parties, shareholder transactions, prepayments and temporary payments etc. are required to be disclosed in this field if they are financings provided to others.

Note 3: The maximum balance of financing provided to others for the year ended December 31, 2025.

Note 4: Nature of financing are coded as follows :

- (1) Business transaction is coded “1”.
- (2) Short-term financing is coded “2”.

Note 5: Total amount of the business transactions between financing company and counter-party should be disclosed herein if the financing occurred due to business transaction.

Note 6: The necessity and rationality of the loan application should be specifically illustrated herein if the financing occurred due to short-term financing, such as loan repayment, equipment acquisition or operating capital.

Note 7: Limit of financing amount for individual counter-party is 50% of the business transaction amount of the previous year while limit of total financing amount is 10% of the parent company’s net worth in Acku Metal Industries (M) SDN. BHD.

Note 8: According to Paragraph 1, Article 14 of Regulations Governing Loaning of Funds and Making Endorsements / Guarantees by Public Companies, resolve each individual lending at the board meetings, the amounts resolved shall be the publicly-announced balance to disclose the risk taken; however, if any repayment is made subsequently, the outstanding balance after such repayment shall be disclosed to reflect the risk adjusted in Acku Metal Industries (M) SDN. BHD.

Note 9: Before SAN SHING FASTECH CORP. purchased shares of Acku Metal Industries (M) SDN. BHD. (“Acku”), Acku provided a loan to Jiwei Industries (M) SDN. BHD. (“Jiwei”) for business transaction.

Acku has acquired shares of Jiwei in September 2025.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 2

Endorsement / Guarantee provided to others for the year ended December 31, 2025:

No. (Note 1)	Endorser / Guarantor	Receiving party		Limit of guarantee / endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided	Amount of collateral guarantee / endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee / endorsement amount (Note 3)	Parent company endorsed / guarantee for the subsidiaries (Note 7)	Subsidiaries endorsed / guarantee for the parent company (Note 7)	Endorsement or guarantee for entities in China (Note 7)
		Company name	Relationship (Note 2)										
0	SAN SHING FASTECH CORP.	Aeku Metal Industries (M) SDN. BHD.	2	\$1,437,920	\$306,050 (USD 10,000)	\$157,190 (USD 5,000)	\$-	\$-	2.19%	\$3,594,801	Y	N	N
0	SAN SHING FASTECH CORP.	San Shing Heat-Treating Co., Ltd.	2	\$1,437,920	\$35,000	\$-	\$-	\$-	0.00%	\$3,594,801	Y	N	N
0	SAN SHING FASTECH CORP.	Hexico Enterprise Co., Ltd.	2	\$1,437,920	\$35,000	\$-	\$-	\$-	0.00%	\$3,594,801	Y	N	N

Note 1: The parent company and its subsidiaries are filled as follows:

1.The parent company is coded "0".

2.The investees are coded from consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between the endorser / guarantor and party being endorsed/guaranteed is classified into the following seven categories:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.

3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.

4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: For a company which SAN SHING FASTECH CORP. directly and indirectly holds more than 50% of the voting shares and the limit of endorsement/guarantee is 20% of parent company's equity, its limit of total guarantee/endorsement amount is 50% of parent company's equity.

Note 4: Maximum balance of endorsement / guarantee provided to others for the period.

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

Note 6: It should be filled in the amount which is actual utilized by the endorsed / guaranteed company within the limit of endorsement / guarantee amount.

Note 7: It should be filled in "Y", if it is the public parent company endorsed / guaranteed for the subsidiaries, subsidiaries endorsed / guaranteed for the public parent company, or endorsement or guarantee for entities in China.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 3

Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2025:

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction (Note 1)		Notes and accounts receivable (payable)		Remark (Note 2)
			Sales (Purchases)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payables)	
SAN SHING FASTECH CORP.	Hexico Enterprise Co., Ltd.	Subsidiary	Sales	\$105,179	2%	Wire rod: 1~2 months Machinery, toolings and nuts: 3~4 months	\$—	—	Accounts receivable \$9,045	1%	Note 4
			Purchases	\$225,706	9%	4 months, the purchase of WIP and finished goods: 15 days for payment term	\$—	—	Accounts payable \$44,493	10%	Note 4
Acku Metal Industries (M) SDN. BHD.	Interactive Corporation	Other related party	Purchases	\$101,574	5%	Sight Letter of Credit	\$—	—	Accounts payable \$5,067	1%	

Note 1: If the related party's transaction conditions are different from the general transaction conditions, the unit price and credit period column should state the difference and the reason.

Note 2: If there is an advance receipt (prepayment), the reason, payment terms, amount, and differences from the general transaction type should be stated in the Remark column.

Note 3: Capital stock refers to the stock of the parent company. If the issuer's shares have no denomination or the denomination per share is not NT\$10,

the transaction amount of 20% of the capital stock shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

Note 4: It has been written off when preparing the consolidated financial statements.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 4

Names, locations and related information of investee companies as of December 31, 2025 (Not including investment in China):

Investor company	Investee company (Note 1,2)	Address	Main businesses and products	Initial investment		Investment as of December 31, 2025			Net income (loss) of investee company Note 2(2)	Investment income (loss) recognized Note 2(3)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
SAN SHING FASTECH CORP.	San Shing Heat-Treating Co., Ltd.	No. 355-2, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City 711012, Taiwan, R.O.C.	Heat treatment processing business of bolts, nuts, automotive parts, etc.	\$20,095	\$20,095	2,200,000	100.00%	\$87,986	\$40,992	\$41,062	(Note 3&4)
SAN SHING FASTECH CORP.	Hexico Enterprise Co., Ltd.	No. 355-3, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City 711012, Taiwan, R.O.C.	Manufacturing, processing, import and export trading of metal washers, steel wires	\$213,750	\$213,750	19,950,000	95.00%	\$517,520	\$74,902	\$71,157	(Note 3)
SAN SHING FASTECH CORP.	Leading-Fan Tech International Co., Ltd.	No. 355-6, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City 711012, Taiwan, R.O.C.	Manufacturing and trading of server computer fans	\$102,000	\$102,000	10,200,000	51.00%	\$52,230	(\$35,642)	(\$18,177)	(Note 3)
SAN SHING FASTECH CORP.	Acku Metal Industries (M) SDN. BHD.	Lot. 2937, Jalan Bagan Lallang Satu, Mukim 16, Acku Industrial Estate, 13400 Butterworth, Penang, Malaysia.	Production and sale of bolts and nuts	\$120,717	\$120,717	9,680,000	57.90%	\$317,610	\$50,109	\$29,013	(Note 3)
Acku Metal Industries (M) SDN. BHD.	Yeh Chang Heat Treatment (M) SDN. BHD.	Lot. 2959, Jalan Bagan Lallang Satu, Mukim 16, Acku Industrial Estate, 13400 Seberang, Perai Utara, Malaysia.	Heat treatment processing business of metal products	\$12,176	\$12,176	1,275,000	51.00%	\$38,763	\$12,993	\$6,626	(Note 3)
Acku Metal Industries (M) SDN. BHD.	Jiwei Industries (M) SDN. BHD.	Lot. 2967, Jalan Bagan Lallang Satu, Mukim 16, Acku Industrial Estate, 13400 Seberang, Perai Utara, Malaysia.	Electroplating processing business of metal products	\$49,901	\$-	2,375,000	95.00%	\$51,703	(\$1,593)	(\$1,514)	(Note 3)

Note 1: If the public company has a foreign holding company and uses consolidated statements as the main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign investee company may only disclose relevant information to the holding company.

Note 2: If it is not in the case described in Note 1, fill in according to the following regulations:

- (1) Column of "Investee company", "Address", "Main businesses and products", "Initial investment" and "Investment as of December 31, 2025" should be filled in order according to the reinvestment status of the public company and each directly or indirectly controlled investment and indicate the relationship between each investee company and the public company (if it is a subsidiary or a grandson company) in the note column.
- (2) The amount of net income (loss) of investee company should be filled in "Net income (loss) of investee company" column.
- (3) In column "Investment income (loss) recognized" only the amount of profit and loss of each subsidiary recognized by the (public) company for direct reinvestment and each investee company evaluated by the equity method is required, and the rest is not required. When filling in the "recognition of the current profit and loss amount of each subsidiary for direct reinvestment", it should be confirmed that the current profit and loss amount of each subsidiary has included the investment profit and loss that should be recognized for its reinvestment in accordance with the regulations.

Note 3: It has been written off when preparing the consolidated financial statements.

Note 4: Unrealized profit or loss from affiliated company is included.

SAN SHING FASTECH CORP. AND SUBSIDIARIES - (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Attachment 5

Intercompany relationships and significant intercompany transactions for the year ended December 31, 2025:

No. (Note 1)	Company name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial statement account	Amount	Term	Percentage of consolidated total operating revenues or total assets (Note 3)
0	SAN SHING FASTECH CORP.	Hexico Enterprise Co., Ltd.	1	Sales	\$105,179	Wire rod: 1~2 months; Machinery, toolings and nuts: 3~4 months The collection term is the same as policy term.	2%
0	SAN SHING FASTECH CORP.	San Shing Heat-Treating Co., Ltd.	1	Processing fee	\$157,606	—	2%
1	Hexico Enterprise Co., Ltd.	SAN SHING FASTECH CORP.	2	Sales	\$225,706	4 months, the purchase of WIP and finished goods: 15 days for payment term The payment term is the same as policy term.	3%

Note 1: The parent company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded from "1" in the order.

Note 2: Transactions are categorized as follows: (If it is the same transaction between parent company and subsidiary or between subsidiaries, there is no need for repeated disclosure. For example, if the parent company has disclosed the transaction between parent company and subsidiary, the subsidiary does not need to be disclosed repeatedly; if the transaction between subsidiary and subsidiary has been disclosed by one of its subsidiaries, the other subsidiary does not need to be disclosed repeatedly.)

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

Note 3: Regarding the percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts, and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The significant transactions in this table should be determined by the Company based on the principle of materiality.

Note 5: If the transaction amount between parent and subsidiary reaches 100 million and above, it should be disclosed.