

**JPP Holding Company Limited and
Subsidiaries**

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
JPP Holding Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. 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.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Occurrence of Revenue Recognition

The Group's consolidated revenue for the year ended December 31, 2025, was NT\$3,731,075 thousand, of which NT\$2,109,032 thousand came from specific customers. Since the amount of operating revenue from specific customers is significant to the consolidated financial statements, we identified the recognition of revenue as a key audit matter.

The main audit procedures that we performed in response to the recognition of revenue were as follows:

- We obtained an understanding of and tested the credit approval process, sales prices and payment collection terms of specific customers to ensure that they underwent appropriate approval. Additionally, we checked relevant supporting documentation, including information obtained from searches related to these customers.
- We selected samples from sales transactions with specific customers and examined the relevant documents, such as sales receipts and delivery orders. Furthermore, we sent written confirmation requests and confirmed the occurrence of sales.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Tza-Li Gung and Chao-Yu Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2026

Notice to Readers

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

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

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025		2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 642,561	9	\$ 585,082	10
Financial assets at amortized cost - current (Notes 4, 9 and 33)	227,106	3	168,515	3
Trade receivables (Notes 4 and 10)	2,270,169	31	1,504,183	26
Trade receivables from related parties (Notes 4, 10 and 32)	3,093	-	1,375	-
Inventories (Notes 4 and 11)	940,493	13	576,851	10
Non-current assets held for sale (Notes 4 and 12)	-	-	189,920	3
Other current assets (Note 19)	115,835	1	87,593	1
Total current assets	4,199,257	57	3,113,519	53
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,397	-	8,904	-
Investments accounted for using the equity method (Notes 4 and 14)	24,845	-	22,718	-
Property, plant and equipment (Notes 4, 15, 32 and 33)	2,340,697	32	2,165,275	37
Right-of-use assets (Notes 4 and 16)	163,900	2	53,101	1
Other intangible assets (Notes 4 and 18)	106,292	1	117,765	2
Goodwill (Notes 4, 17 and 29)	78,429	1	73,367	1
Deferred tax assets (Notes 4 and 27)	34,374	1	40,508	1
Other non-current assets (Note 19)	462,840	6	263,309	5
Total non-current assets	3,223,774	43	2,744,947	47
TOTAL	\$ 7,423,031	100	\$ 5,858,466	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 20 and 33)	\$ 1,066,235	14	\$ 1,159,139	20
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 21)	-	-	48,904	1
Notes payable	2,976	-	2,387	-
Trade payables	1,493,965	20	983,262	17
Trade payables to related parties (Note 32)	24,157	-	12,231	-
Other payables (Notes 22 and 32)	97,245	1	112,262	2
Current tax liabilities (Notes 4 and 27)	74,117	1	24,968	-
Lease liabilities - current (Notes 4 and 16)	21,977	-	9,139	-
Current portion of long-term borrowings and bonds payable (Notes 4, 20, 21 and 33)	181,988	3	458,845	8
Other current liabilities	252,086	4	64,147	1
Total current liabilities	3,214,746	43	2,875,284	49
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 20 and 33)	198,428	3	172,376	3
Deferred tax liabilities (Notes 4 and 27)	135,345	2	79,415	1
Lease liabilities - non-current (Notes 4 and 16)	64,003	1	25,886	1
Net defined benefit liabilities - non-current (Notes 4 and 23)	74,797	1	43,200	1
Guarantee deposits received (Note 4)	12,223	-	5,465	-
Other non-current liabilities	9,525	-	177	-
Total non-current liabilities	494,321	7	326,519	6
Total liabilities	3,709,067	50	3,201,803	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	528,927	7	509,289	9
Capital surplus	1,762,854	24	1,384,817	24
Retained earnings				
Legal reserve	191,555	3	186,564	3
Special reserve	229,750	3	229,750	4
Unappropriated earnings	818,909	11	302,321	5
Total retained earnings	1,240,214	17	718,635	12
Other equity	165,407	2	22,269	-
Total equity attributable to owners of the Company	3,697,402	50	2,635,010	45
NON-CONTROLLING INTERESTS (Note 24)	16,562	-	21,653	-
Total equity	3,713,964	50	2,656,663	45
TOTAL	\$ 7,423,031	100	\$ 5,858,466	100

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

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)	\$ 3,731,075	100	\$ 2,388,013	100
OPERATING COSTS (Notes 11, 26 and 32)	<u>2,320,575</u>	<u>62</u>	<u>1,570,817</u>	<u>66</u>
GROSS PROFIT	<u>1,410,500</u>	<u>38</u>	<u>817,196</u>	<u>34</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	88,001	2	46,392	2
General and administrative expenses	519,233	14	342,647	15
Research and development expenses	29,046	1	27,403	1
Expected credit loss (reversed) recognized	<u>(14,221)</u>	<u>-</u>	<u>220,748</u>	<u>9</u>
Total operating expenses	<u>622,059</u>	<u>17</u>	<u>637,190</u>	<u>27</u>
PROFIT FROM OPERATIONS	<u>788,441</u>	<u>21</u>	<u>180,006</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 14, 26 and 32)				
Other gains and losses	60,581	2	2,687	-
Finance costs	(63,674)	(2)	(55,534)	(2)
Share of loss of associates and joint ventures	(2,106)	-	(29,304)	(1)
Interest income	4,981	-	3,741	-
Other income	<u>11,368</u>	<u>1</u>	<u>5,133</u>	<u>-</u>
Total non-operating income and expenses	<u>11,150</u>	<u>1</u>	<u>(73,277)</u>	<u>(3)</u>
PROFIT BEFORE INCOME TAX	799,591	22	106,729	4
INCOME TAX EXPENSE (Notes 4 and 27)	<u>185,728</u>	<u>5</u>	<u>53,099</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>613,863</u>	<u>17</u>	<u>53,630</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(22,541)	(1)	-	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,257	-	(12,716)	(1)
Exchange differences on translation to the presentation currency	134,029	4	132,677	6
Income tax relating to items that will not be reclassified subsequently to profit or loss	2,350	-	-	-

(Continued)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 7,944	-	\$ 6,513	1
Other comprehensive income for the year, net of income tax	123,039	3	126,474	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 736,902	20	\$ 180,104	8
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 618,163	16	\$ 49,235	2
Non-controlling interests	(4,300)	-	4,395	-
	<u>\$ 613,863</u>	<u>16</u>	<u>\$ 53,630</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 741,110	20	\$ 174,372	8
Non-controlling interests	(4,208)	-	5,732	-
	<u>\$ 736,902</u>	<u>20</u>	<u>\$ 180,104</u>	<u>8</u>
EARNINGS PER SHARE (Note 28)				
Basic	\$ 12.05		\$ 1.02	
Diluted	\$ 12.05		\$ 1.02	

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

(Concluded)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										Non-controlling Interests (Note 24)	Total Equity
	Ordinary Share Capital (Note 24)		Capital Surplus (Note 24)	Retained Earnings (Note 24)		Other Equity		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Shares (Thousand)	Amount	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations		Other Equity			
BALANCE ON JANUARY 1, 2024	47,928	\$ 479,289	\$ 1,063,649	\$ 146,079	\$ 229,750	\$ 532,535	\$ 908,364	\$ (111,371)	\$ 9,183	\$ (102,188)	\$ 2,349,114	\$ 2,366,219
Appropriation of 2023 earnings	-	-	-	40,485	-	(40,485)	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(239,644)	(239,644)	-	-	-	(239,644)	(239,644)
Cash dividends distributed by the Company	-	-	-	40,485	-	(280,129)	(239,644)	-	-	-	(239,644)	(239,644)
Share-based payments	-	-	12,168	-	-	-	-	-	-	-	12,168	12,168
Issuance of ordinary shares for cash	3,000	30,000	309,000	-	-	-	-	-	-	-	339,000	339,000
Net profit for the year ended December 31, 2024	-	-	-	-	-	49,235	49,235	-	-	-	49,235	53,630
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	-	137,853	(12,716)	125,137	1,337	126,474
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	49,235	49,235	137,853	(12,716)	125,137	174,372	180,104
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,184)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	680	-	(680)	-	-	-
BALANCE ON DECEMBER 31, 2024	50,928	509,289	1,384,817	186,564	229,750	302,321	718,635	26,482	(4,213)	22,269	2,635,010	2,656,663
Appropriation of 2024 earnings	-	-	-	4,991	-	(4,991)	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(76,393)	(76,393)	-	-	-	(76,393)	(76,393)
Cash dividends distributed by the Company	-	-	-	4,991	-	(81,384)	(76,393)	-	-	-	(76,393)	(76,393)
Conversion of convertible bonds	1,964	19,638	378,037	-	-	-	-	-	-	-	397,675	397,675
Net profit for the year ended December 31, 2025	-	-	-	-	-	618,163	618,163	-	-	-	618,163	613,863
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(20,191)	(20,191)	141,881	1,257	143,138	122,947	123,039
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	597,972	597,972	141,881	1,257	143,138	741,110	736,902
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(883)
BALANCE ON DECEMBER 31, 2025	52,892	\$ 528,927	\$ 1,762,854	\$ 191,555	\$ 229,750	\$ 818,909	\$ 1,240,214	\$ 168,363	\$ (2,956)	\$ 165,407	\$ 3,697,402	\$ 3,713,964

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

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 799,591	\$ 106,729
Adjustments for:		
Depreciation expense	224,583	191,011
Amortization expense	18,495	18,185
Expected credit loss (reversed) recognized	(14,221)	220,748
Net loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	92,785	971
Finance costs	63,674	55,534
Interest income	(4,981)	(3,741)
Share-based payment	-	12,168
Share of loss of associates	2,106	29,304
Loss on disposal of property, plant and equipment	7,879	2,320
Loss on disposal of intangible assets	-	189
Gains on disposal of non-current assets held for sale	(197,048)	-
Allowance for inventory valuation and obsolescence (reversed) loss	(23,789)	884
Unrealized loss or (gain) on foreign currency exchange	26,324	(9,557)
Impairment loss recognized on goodwill	6,254	-
Changes in operating assets and liabilities		
Trade receivables	(680,328)	(253,938)
Trade receivables from related parties	(1,580)	300
Inventories	(110,761)	(75,325)
Other current assets	(47,492)	(29,982)
Notes payable	467	(904)
Trade payables	347,129	321,974
Trade payables to related parties	10,863	(6,392)
Other payables	(2,935)	(217,247)
Other current liabilities	(24,214)	20,023
Net defined benefit liabilities	3,392	5,543
Cash generated from operations	496,193	388,797
Interest received	2,388	3,757
Interest paid	(51,997)	(55,372)
Income tax paid	(191,180)	(55,491)
Net cash generated from operating activities	255,404	281,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(1,547)	(5,356)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	12,002
Purchase of financial assets at amortized cost	(21,007)	-
Acquisition of long-term investments accounted for using the equity method	-	(4,782)
Net cash flow from acquisition of subsidiaries (Note 29)	(56,809)	-

(Continued)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

	2025	2024
Proceeds from disposal of non-current assets held for sale	\$ 383,870	\$ -
Payments for property, plant and equipment	(436,836)	(710,140)
Proceeds from disposal of property, plant and equipment	1,784	3,854
Increase in refundable deposits	(488)	(22)
Decrease in refundable deposits	235	-
Purchase of other intangible assets	(4,316)	(7,939)
Increase in other non-current assets	-	(1,727)
Decrease in other non-current assets	18,278	-
Increase in prepayments of equipment	-	(131,741)
Net cash used in investing activities	(116,836)	(845,851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,776,281	2,078,040
Repayments of short-term borrowings	(2,018,755)	(1,591,952)
Proceeds from issuance of convertible bonds	-	296,500
Proceeds from long-term borrowings	95,280	-
Repayments of long-term borrowings	(206,466)	(202,795)
Increase in guarantee deposits received	6,533	-
Repayment of the principal portion of lease liabilities	(8,113)	(10,861)
Decrease in other non-current liabilities	(29,168)	-
Increase in other non-current liabilities	-	169
Dividends paid to owners of the Company	(76,393)	(239,644)
Proceeds from issuance of ordinary shares	-	339,000
Dividends paid to non-controlling interests	(883)	(1,184)
Net cash (used in) generated from financing activities	(461,684)	667,273
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	380,595	276,619
NET INCREASE IN CASH	57,479	379,732
CASH AT THE BEGINNING OF THE YEAR	585,082	205,350
CASH AT THE END OF THE YEAR	\$ 642,561	\$ 585,082

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

(Concluded)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

JPP Holding Company Limited (the “Company”) was incorporated in the Cayman Islands on May 17, 2012, and was set up for the purpose of organizational restructuring. The Company completed organizational restructuring on June 10, 2013, and after restructuring, the Company became the ultimate parent company of the whole group.

The Company was listed on the mainboard of the Taipei Exchange in October 2014 and transferred the listing to the Taiwan Stock Exchange (TWSE) on March 9, 2017.

The functional currency of the Company is the Thai Baht. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have material impact on the accounting policies of the Company and the entities controlled by the Company (collectively, the “Group”).

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

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

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

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

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

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

- To classify items of income and expenses presented included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

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

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

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

See Note 13 and Table 5 for the detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period on facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

f. Foreign currencies

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

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

Non-monetary items that are denominated in foreign currencies measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

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

For the purposes of presenting the consolidated financial statements, the financial statements of the Company and its foreign operations (including the subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

Goodwill and fair value adjustments recognized on identifiable assets and liabilities of acquired foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

g. Inventories

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

h. Investments in associates

An associate is an entity over which the Group has a significant influence and which is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

i. Property, plant and equipment

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

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

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

j. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in business combinations

Intangible assets that are acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date which is regarded as their cost. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

m. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. For financial instruments and contract assets, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in equity instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income, and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL that are measured at fair value, all financial liabilities are measured at amortized cost using the effective interest method.

Fair value is determined in the manner described in Note 31.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The conversion option component of the convertible bonds issued by the Group, which will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's own equity instruments, is classified as a derivative financial liability.

On initial recognition, the derivative financial liability component of the convertible bonds is recognized at fair value, and the initial carrying amount of the non-derivative financial liability component is determined by deducting the amount of the derivative financial liability component from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liability component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liability component is measured at fair value, and the changes in fair value are recognized in profit or loss. Transaction costs that relate to the issuance of the convertible notes are allocated to the derivative financial liability component and the non-derivative financial liability component in proportion to their relative fair values. Transaction costs relating to the derivative financial liability component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liability component are included in the carrying amount of the liability component.

o. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of precision sheet metal products and is recognized when the goods are delivered to the customer's specific location or when the goods are shipped. Revenue and trade receivables are recognized concurrently.

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

2) Rendering of services

Service income is recognized when services are provided.

p. Leases

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

1) The Group as lessor

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

2) The Group as lessee

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

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

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

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

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

s. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	December 31	
	2025	2024
Cash on hand	\$ 1,239	\$ 844
Checking accounts and demand deposits	<u>641,322</u>	<u>584,238</u>
	<u>\$ 642,561</u>	<u>\$ 585,082</u>

The market rate intervals of cash in bank at the end of the reporting period are as follows:

	December 31	
	2025	2024
Demand deposits	0.10%-1.35%	0.13%-0.80%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
<u>Financial liabilities at held for trading - current</u>		
Derivatives		
Third issuance of convertible bonds in Taiwan	<u>\$ -</u>	<u>\$ 48,904</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
<u>Non-current</u>		
Private equity funds	<u>\$ 12,397</u>	<u>\$ 8,904</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 227,106</u>	<u>\$ 168,515</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.70%-3.55% and 0.30%-3.15% per annum as of December 31, 2025 and 2024, respectively.
- b. Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. TRADE RECEIVABLES

	December 31	
	2025	2024
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 2,503,533	\$ 1,740,802
Less: Allowance for impairment loss	<u>(230,271)</u>	<u>(235,244)</u>
	<u>\$ 2,273,262</u>	<u>\$ 1,505,558</u>

The average credit period of sales of goods is 30-90 days. No interest was charged on trade receivables.

The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. Then, due to historical experience, the Group recognized an allowance for impairment loss of fully provided against all receivables aged over 180 days or those individually assessments were unlikely to be fully collectible and the receivables had not been recovered before the issuance of the consolidated financial statements.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2025

	Not Past Due	Up to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Individual Assessments	Total
Expected credit loss rate	0%	0%-3.10%	0%-34.69%	0%-95.68%	0%-100%	100.00%	
Gross carrying amount	\$ 2,187,085	\$ 57,795	\$ 13,946	\$ 14,832	\$ 6,682	\$ 223,193	\$ 2,503,533
Loss allowance (Lifetime ECLs)	-	(218)	-	(4,636)	(2,224)	(223,193)	(230,271)
Amortized cost	<u>\$ 2,187,085</u>	<u>\$ 57,577</u>	<u>\$ 13,946</u>	<u>\$ 10,196</u>	<u>\$ 4,458</u>	<u>\$ -</u>	<u>\$ 2,273,262</u>

In 2024, the Group initiated claims for accounts receivable against its individual customers. As of December 31, 2025, the lawsuits had been successfully resolved in the company's favor, and management will continue efforts to collect the outstanding receivables.

December 31, 2024

	Not Past Due	Up to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Individual Assessments	Total
Expected credit loss rate	0%-0.02%	0%-1.31%	0%-9.47%	0%-84.74%	0%-100%	100%	
Gross carrying amount	\$ 1,387,863	\$ 31,613	\$ 16,301	\$ 68,083	\$ 6,141	\$ 230,801	\$ 1,740,802
Loss allowance (Lifetime ECLs)	-	(415)	(1,104)	-	(2,924)	(230,801)	(235,244)
Amortized cost	<u>\$ 1,387,863</u>	<u>\$ 31,198</u>	<u>\$ 15,197</u>	<u>\$ 68,083</u>	<u>\$ 3,217</u>	<u>\$ -</u>	<u>\$ 1,505,558</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 235,244	\$ 3,211
Add: Net remeasurement of loss allowance	-	220,748
Less: Impairment losses reversed	(14,221)	-
Foreign exchange gains and losses	<u>9,248</u>	<u>11,285</u>
Balance on December 31	<u>\$ 230,271</u>	<u>\$ 235,244</u>

11. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Finished goods	\$ 172,400	\$ 103,028
Work in process	373,692	173,931
Raw materials	371,395	290,362
Inventories in transit	<u>23,006</u>	<u>9,530</u>
	<u>\$ 940,493</u>	<u>\$ 576,851</u>

The nature of the cost of goods sold is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of inventories sold	\$ 2,344,364	\$ 1,569,933
Inventory write-downs (reversed) loss*	<u>(23,789)</u>	<u>884</u>
	<u>\$ 2,320,575</u>	<u>\$ 1,570,817</u>

* The reversals of write-downs resulted from the sale of the aged inventories.

12. NON-CURRENT ASSETS AS HELD FOR SALE

	December 31	
	2025	2024
Freehold land held for sale	\$ -	\$ 189,920

The Group expects to dispose of four lots of land within the next 12 months in October 2024, which was classified as non-current assets held for sale. In July 15, 2025, the Group entered into an agreement with an unrelated party for the disposal of land held for sale, at a proceeds of \$383,870 thousand, yielding a gain on disposal of \$197,048 thousand.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2025	2024	
The Company	Jinpao Precision Industry Co., Ltd. (Jinpao)	Material parts design and manufacturing	99.99	99.99	Note 1
Jinpao	Jinpao Precision Japan Co., Ltd. (Jinpao Japan)	Processed metal products development and trading	-	80.00	Notes 1, 2
Jinpao	Jinpao Europe SAS (Jinpao Europe)	Metal parts manufacturing and milling	76.00	76.00	Note 1
Jinpao Europe	Atelier De Decolletage De Bigorre (ADB)	Metal parts manufacturing and milling	100.00	100.00	Note 1
Jinpao Europe	SAS LUTEC (LUTEC)	Metal parts manufacturing and milling	100.00	100.00	Note 1
Jinpao Europe	SPEM AERO SAS (SPEM)	Surface treatment	95.00	95.00	Note 1
Jinpao Europe	Agiliteam ADE (ADE)	Metal parts manufacturing and milling	100.00	-	Notes 1, 3

Note 1: The financial statements of the Company and Jinpao were prepared on the basis of their functional currency, the Thai Baht. The financial statements of Jinpao Japan were prepared on the basis of its functional currency, the Japanese Yen. The financial statements of Jinpao Europe, ADB, LUTEC, SPEM and ADE were prepared on the basis of their functional currency, the Euro. In the preparation of the consolidated financial statements, the account items were translated into the presentation currency, the New Taiwan dollar, as follows: All balance sheet accounts were translated at their respective functional currencies at the balance sheet dates, equity accounts were translated based on the historical exchange rates, and all income statement accounts were translated at the average exchange rates for the periods. Exchange differences on translation of foreign currencies are recognized as other comprehensive income and classified within the shareholders' equity section. The spot exchange rates of THB to NTD on December 31, 2025 and 2024 are THB1=NT\$1.0019 and THB1=NT\$0.9623, respectively. The average exchange rates of THB to NTD in 2025 and 2024 are THB1=NT\$0.9528 and THB1=NT\$0.9160, respectively.

Note 2: Jinpao Japan completed its dissolution and liquidation proceedings on June 16, 2025.

Note 3: On July 31, 2025, the Group acquired 100% of the equity of ADE through Jinpao Europe. In December 2025, ADE was subsequently renamed, having previously been known as SEGNERE SAS.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Associates that are not individually material	<u>\$ 24,845</u>	<u>\$ 22,718</u>
	For the Year Ended December 31	
	2025	2024
The Group's share of:		
Net loss for the period	\$ (2,106)	\$ (29,304)
Other comprehensive loss	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$ (2,106)</u>	<u>\$ (29,304)</u>

The Group acquired a 25% of the equity of WHJ Thermal (Thailand) Co., Ltd in 2025.

The Group acquired a 25% of the equity of Vertexbyte Solution Co., Ltd in 2025.

The Group acquired the shares of I motor manufacturing Co., Ltd. at the same percentage as its existing ownership percentage in December 2025.

The Group acquired the shares of I motor manufacturing Co., Ltd. at the same percentage as its existing ownership percentage in June 2024.

Refer to Table 5 "Information on Investees" for the nature of activities, principal places of business and country of incorporation of the associate.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 623,150	\$ 904,567	\$ 2,176,104	\$ 117,978	\$ 3,821,799
Acquisitions through business combinations (Note 29)	-	22,914	14,632	-	37,546
Additions	-	21,986	208,767	37,218	267,971
Disposals	-	(3,600)	(43,349)	(8,698)	(55,647)
Effects of foreign currency exchange differences	<u>25,589</u>	<u>13,459</u>	<u>114,884</u>	<u>6,436</u>	<u>160,368</u>
Balance on December 31, 2025	<u>\$ 648,739</u>	<u>\$ 959,326</u>	<u>\$ 2,471,038</u>	<u>\$ 152,934</u>	<u>\$ 4,232,037</u>
<u>Accumulated depreciation</u>					
Balance on January 1, 2025	\$ -	\$ 317,268	\$ 1,245,040	\$ 94,216	\$ 1,656,524
Disposals	-	(202)	(37,928)	(7,854)	(45,984)
Depreciation expense	-	45,394	148,389	13,239	207,022
Effects of foreign currency exchange differences	<u>-</u>	<u>15,221</u>	<u>54,402</u>	<u>4,155</u>	<u>73,778</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 377,681</u>	<u>\$ 1,409,903</u>	<u>\$ 103,756</u>	<u>\$ 1,891,340</u>
Carrying amount on December 31, 2025	<u>\$ 648,739</u>	<u>\$ 581,645</u>	<u>\$ 1,061,135</u>	<u>\$ 49,178</u>	<u>\$ 2,340,697</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>					
Balance on January 1, 2024	\$ 545,974	\$ 736,781	\$ 1,876,429	\$ 104,328	\$ 3,263,512
Additions	219,307	112,529	216,916	11,772	560,524
Disposals	-	-	(52,119)	(2,890)	(55,009)
Reclassified as held for sale	(189,920)	-	-	-	(189,920)
Effects of foreign currency exchange differences	47,789	55,257	134,878	4,768	242,692
Balance on December 31, 2024	<u>\$ 623,150</u>	<u>\$ 904,567</u>	<u>\$ 2,176,104</u>	<u>\$ 117,978</u>	<u>\$ 3,821,799</u>
<u>Accumulated depreciation</u>					
Balance on January 1, 2024	\$ -	\$ 257,916	\$ 1,084,602	\$ 82,035	\$ 1,424,553
Disposals	-	-	(45,996)	(2,839)	(48,835)
Depreciation expense	-	39,969	128,952	9,187	178,108
Effects of foreign currency exchange differences	-	19,383	77,482	5,833	102,698
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 317,268</u>	<u>\$ 1,245,040</u>	<u>\$ 94,216</u>	<u>\$ 1,656,524</u>
Carrying amount on December 31, 2024	<u>\$ 623,150</u>	<u>\$ 587,299</u>	<u>\$ 931,064</u>	<u>\$ 23,762</u>	<u>\$ 2,165,275</u>
					(Concluded)

- a. No impairment assessment was performed for the year ended December 31, 2025 and 2024 as there was no indication of impairment.
- b. The cash flow information for the acquisition of property, plant and equipment by the Group for the years ended December 31, 2025 and 2024 is adjusted as follows:

	<u>December 31</u>	
	2025	2024
Increase in property, plant and equipment	\$ 267,971	\$ 560,524
Less: Prepayments for equipment at the beginning of period	(258,804)	(112,822)
Add: Prepayments for equipment at the end of period	461,226	258,804
Add: Payables for equipment at the beginning of period	71,525	84,617
Less: Payables for equipment at the end of period	(91,457)	(71,525)
Effects of foreign currency exchange differences	<u>(13,625)</u>	<u>(9,458)</u>
Paid in cash	<u>\$ 436,836</u>	<u>\$ 710,140</u>

- c. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings was set out in Note 33.
- d. The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Building of factory	20 years
Air-conditioner system	5 years
Machinery and equipment	3-10 years
Other equipment	1-5 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
<u>Carrying amount</u>		
Buildings	<u>\$ 163,900</u>	<u>\$ 53,101</u>
	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 17,166</u>	<u>\$ 8,809</u>
Acquisitions through business combinations (Note 29)	<u>\$ 96,316</u>	<u>\$ -</u>
Depreciation change for right-of-use assets		
Buildings	<u>\$ 17,561</u>	<u>\$ 12,903</u>

The Group did not have significant sublease, and impairment of right-of-use assets during the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amount</u>		
Current	<u>\$ 21,977</u>	<u>\$ 9,139</u>
Non-current	<u>\$ 64,003</u>	<u>\$ 25,886</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	1.75%-9.89%	1.75%-9.89%

c. Material lease-in activities and terms

The Group leases buildings for the use of plants and offices with lease terms of 5 to 10 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to low-value asset leases	<u>\$ 9,110</u>	<u>\$ 5,305</u>
Total cash outflow for leases	<u>\$ (19,726)</u>	<u>\$ (17,908)</u>

The Group's leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. GOODWILL

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
Balance on January 1	\$ 79,114	\$ 73,871
Acquisitions through business combinations (Note 29)	13,888	-
Effects of foreign currency exchange differences	<u>(2,097)</u>	<u>5,243</u>
Balance on December 31	<u>\$ 90,905</u>	<u>\$ 79,114</u>
<u>Accumulated impairment loss</u>		
Balance on January 1	\$ 5,747	\$ 5,366
Impairment loss recognized for the current period	6,254	-
Effects of foreign currency exchange differences	<u>475</u>	<u>381</u>
Balance on December 31	<u>\$ 12,476</u>	<u>\$ 5,747</u>
Net Balance on December 31	<u>\$ 78,429</u>	<u>\$ 73,367</u>
	<u>ADB & LUTEC</u>	
	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Discount rates	16.6%	18.1%
	<u>SPEM</u>	
	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Discount rates	19.5%	19.5%

As of the years ended December 31, 2025 and 2024, the recoverable amount was determined based on a DCF calculation that used cash flow projection in the financial budgets approved by management covering a 5-year period with the aforementioned discount rate, respectively. The cash flows beyond 5 years have been extrapolated, using a 0% per annum growth rate. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

Upon evaluation, the recoverable amount of ADB and LUTEC in 2025 was \$185,503 thousand, which was less than their carrying amount; consequently, a goodwill impairment of \$6,254 thousand was recognized and recorded under other gains and losses. This impairment primarily resulted from adjustments in certain customer strategies, which caused post-merger actual revenue growth to fall short of expectations. For SPEM, the recoverable amount in 2025 exceeded the carrying amount, and thus no impairment loss was recognized.

After the impairment assessment in 2024, the recoverable amount was higher than the carrying amount, and no impairment loss was recognized.

18. OTHER INTANGIBLE ASSETS

	Other Intangible Assets	Computer Software	Total
<u>Cost</u>			
Balance on January 1, 2024	\$ 124,652	\$ 112,055	\$ 236,707
Additions	-	7,939	7,939
Disposals	-	(598)	(598)
Effects of foreign currency exchange differences	8,846	7,902	16,748
Balance on December 31, 2024	<u>\$ 133,498</u>	<u>\$ 127,298</u>	<u>\$ 260,796</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2024	\$ 40,973	\$ 75,494	\$ 116,467
Amortization expense	9,263	8,922	18,185
Disposals	-	(409)	(409)
Effects of foreign currency exchange differences	3,284	5,504	8,788
Balance on December 31, 2024	<u>\$ 53,520</u>	<u>\$ 89,511</u>	<u>\$ 143,031</u>
Carrying amount on December 31, 2024	<u>\$ 79,978</u>	<u>\$ 37,787</u>	<u>\$ 117,765</u>
<u>Cost</u>			
Balance on January 1, 2025	\$ 133,498	\$ 127,298	\$ 260,796
Additions	-	4,316	4,316
Disposals	-	(858)	(858)
Effects of foreign currency exchange differences	3,181	5,416	8,597
Balance on December 31, 2025	<u>\$ 136,679</u>	<u>\$ 136,172</u>	<u>\$ 272,851</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2025	\$ 53,520	\$ 89,511	\$ 143,031
Amortization expense	9,363	9,132	18,495
Disposals	-	(858)	(858)
Effects of foreign currency exchange differences	1,780	4,111	5,891
Balance on December 31, 2025	<u>\$ 64,663</u>	<u>\$ 101,896</u>	<u>\$ 166,559</u>
Carrying amount on December 31, 2025	<u>\$ 72,016</u>	<u>\$ 34,276</u>	<u>\$ 106,292</u>

Except for the recognition of amortization expenses, other intangible assets of the Company did not have significant impairment in 2025 and 2024.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Other intangible assets	12.3-18 years
Computer software	10 years

19. OTHER ASSETS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Prepaid expenses and others	<u>\$ 115,835</u>	<u>\$ 87,593</u>
<u>Non-current</u>		
Prepayments for equipment	\$ 461,226	\$ 258,804
Refundable deposits	1,614	1,294
Others	<u>-</u>	<u>3,211</u>
	<u>\$ 462,840</u>	<u>\$ 263,309</u>

20. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Secured borrowings (Note 33)</u>		
Bank loans*	<u>\$ 1,066,235</u>	<u>\$ 1,159,139</u>

* The range of weighted average effective interest rates on bank loans was 3.39%-5.05% and 3.46%-4.52% per annum on December 31, 2025 and 2024, respectively. The part of loans is secured by Jinpao as a guarantee.

b. Long-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Secured borrowings (Note 33)</u>		
Bank loans (1)	\$ -	\$ 64,072
Bank loans (2)	-	192,137
Bank loans (3)	-	75,661
Bank loans	<u>101,620</u>	<u>29,262</u>
	101,620	361,132
<u>Unsecured borrowings</u>		
Bank loans	<u>278,796</u>	<u>18,825</u>
	380,416	379,957
Less: Current portions	<u>(181,988)</u>	<u>(207,581)</u>
Long-term loans	<u>\$ 198,428</u>	<u>\$ 172,376</u>

- 1) As of December 31, 2024, the annual weighted average effective interest rates of the bank borrowings secured by the Group's freehold land, machine and equipment and buildings (see Note 33) was 3.95%. The loan is due on August 19, 2025.
- 2) As of December 31, 2024, the annual weighted average effective interest rate of the bank borrowings secured by the Group's freehold land, machine and equipment, and buildings (see Note 33) was 3.95%. The loan is due on September 6, 2026, but was repaid early on October 31, 2025.
- 3) As of December 31, 2024, the annual weighted average effective interest rate of the bank borrowings secured by Jinpao as a guarantee for the bank loan was 5.00%. The joint guarantee obligation was released in 2025. According to the provisions of the loan contract, the current ratio shall not be lower than 100% (inclusive), the debt ratio shall not be higher than 100% (inclusive), and the net value shall not be lower than NT\$1,550,000 thousand (inclusive). The loan is due on November 30, 2026, but was repaid early on October 31, 2025.

21. BONDS PAYABLE

	December 31	
	2025	2024
Third issuance of unsecured domestic convertible bonds in Taiwan	\$ -	\$ 251,264

On November 4, 2024, the Group issued 3 thousand units of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$300,000 thousand. The maturity date of the bonds is on November 4, 2027.

Each bond entitles the holder to convert it into ordinary shares of the Group at a conversion price of \$155.6. In the case of ex-right or ex-dividend, the conversion price should be adjusted according to the adjustment formula.

Each bond entitles the holder to convert it into ordinary shares of the Group at a conversion price of \$155.6, in the case of ex-right or ex-dividend, the conversion price should be adjusted according to the adjustment formula. On November 22, 2024, the conversion price was adjusted from \$155.6 to \$153.3 per share, and further adjusted from \$153.3 to \$152.2 per share effective July 3, 2025.

Conversion may occur at any time between February 5, 2025 and November 4, 2027. If the bonds have not been converted and the closing price of the Group's ordinary shares exceeds 30% of the conversion price for at least 30 consecutive trading days consecutively or the value of the outstanding convertible bonds falls lower than 10% of the original total amount issued, they will be redeemed at face value from February 5, 2025 to September 25, 2027.

The bonds issued by the company will have a redemption reference date starting from the day after the bond issuance reaches three months (February 5, 2025), and ending 40 days before the bond maturity date (September 25, 2027). The company will send a "Bondholder Redemption Right Exercise Notice" to bondholders by registered mail within 30 days before the redemption reference date. Bondholders may request the company to redeem their convertible bonds at face value in cash. The company will process the redemption requests and redeem the bonds in cash within five business days after the redemption reference date.

The liability component includes embedded financial derivatives and non-financial derivative liabilities. On December 31, 2024, the fair value of such embedded financial derivatives was \$48,904 thousand, and the amount of liabilities of non-financial derivatives liabilities measured at amortized cost was \$251,264 thousand. The effective interest rate for liabilities was 6.6272% per annum on initial recognition.

Liability component at December 31, 2024 (separately recognized as bonds payable of \$251,264 thousand and financial liabilities at FVTPL - current of \$48,904 thousand)	\$ 300,168
Interest at effective interest rate	9,542
Convertible bonds converted into ordinary shares	(397,675)
Loss on valuation of financial instruments	92,785
Effects of foreign currency exchange	<u>(4,820)</u>

Liability component at December 31, 2025 (separately recognized as bonds payable of \$0 thousand and financial liabilities at FVTPL - current of \$0 thousand)	<u>\$ -</u>
--	-------------

As of December 31, 2025, all of the third series of Taiwan's unsecured convertible bonds had been fully converted into 1,964 thousand shares of the company's common stock.

22. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Other payables		
Payables for equipment	\$ 91,457	\$ 71,525
Others	<u>5,788</u>	<u>40,737</u>
	<u>\$ 97,245</u>	<u>\$ 112,262</u>

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plan

The defined benefit plans adopted by Jinpao of the Group in accordance with the Labor Protection Act is operated by the government of Thailand, then Jinpao Europe, ADB, LUTEC, SPEM and ADE of the Group adopted the pension system in accordance with the Labor Protection Act operated by the government of French, which are both state-managed defined contribution plan. The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries, basing on years of service and the salaries before the estimated retirement date.

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

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 74,797	\$ 43,200
Fair value of plan assets	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ 74,797</u>	<u>\$ 43,200</u>

Movements in net defined benefit liabilities are as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2024	\$ 46,470	\$ -	\$ 46,470
Service cost			
Current service cost	(7,821)	-	(7,821)
Interest expense	<u>1,154</u>	<u>-</u>	<u>1,154</u>
Recognized in profit or loss	(6,667)	-	(6,667)
Benefits paid	(366)	-	(366)
Others	<u>3,763</u>	<u>-</u>	<u>3,763</u>
Balance on December 31, 2024	<u>43,200</u>	<u>-</u>	<u>43,200</u>
Service cost			
Current service cost	21,313	-	21,313
Interest expense	<u>1,076</u>	<u>-</u>	<u>1,076</u>
Recognized in profit or loss	22,389	-	22,389
Remeasurement			
Actuarial gain recognized from experience adjustments	<u>22,541</u>	<u>-</u>	<u>22,541</u>
Amounts recognized in other comprehensive income	22,541	-	22,541
Benefits paid	(396)	-	(396)
Others	<u>(12,937)</u>	<u>-</u>	<u>(12,937)</u>
Balance on December 31, 2025	<u>\$ 74,797</u>	<u>\$ -</u>	<u>\$ 74,797</u>

The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2025	2024
Discount rates	1.28%-2.64%	2.35%-4.33%
Expected rates of salary increase	3.00%-5.00%	3.00%-5.00%

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

	December 31	
	2025	2024
Discount rates		
1% increase	\$ (4,637)	\$ (2,796)
1% decrease	\$ 5,399	\$ 3,166
Expected rates of salary increase		
1% increase	\$ 5,259	\$ 3,500
1% decrease	\$ (4,780)	\$ (3,133)

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

	December 31	
	2025	2024
Expected contributions to the plan for the next year	\$ -	\$ -
Average duration of the defined benefit obligation	11 years	12 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Numbers of shares authorized (in thousands)	100,000	60,000
Value of shares authorized	\$ 1,000,000	\$ 600,000
Number of shares issued and fully paid (in thousands)	52,892	50,929
Value of shares issued	\$ 528,927	\$ 509,289

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

The Company conducted a cash capital increase in 2024, which was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on October 18, 2024. Following the approval, the capital increase was set with a record date of November 22, 2024. The Company issued 3,000 thousand new shares, each with a par value of NT\$10, at an issuance price of NT\$113 per share (including a premium of NT\$103 per share), resulting in total proceeds of NT\$339,000 thousand. After the capital increase, the total number of issued shares amounted to 50,929 thousand shares, and the paid-in capital increased to NT\$509,289 thousand.

The Company's annual shareholders' meeting on June 18, 2025 resolved to increase the authorized share capital to \$1,000,000 thousand, and the registration for the above-mentioned change of authorized share capital has been completed.

In the third issuance of unsecured convertible corporate bonds in Taiwan for 2025, a total of 1,964 thousand shares were converted into the Company's ordinary shares, resulting in an aggregate of 52,892 thousand shares issued and a paid-in capital of \$528,927 thousand.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as <u>cash dividends, or transferred to share capital*</u>		
Premium from issuance of ordinary shares	\$ 1,762,854	\$ 1,384,817

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit (except when accumulated legal reserve have already achieved paid-in capital of the Company), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 26(h).

The Group's operations are highly specialized with customized products and are in the growth stage. The board of directors of the Group proposes the distribution plan based on previous years' retained earnings, overall growth, financial planning, capital needs, industry outlook and future development plans, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. When distributing dividends, the Group should first (i) pay the reserved amount for the yearly tax payment; (ii) offset losses of previous years; (iii) set aside as a legal reserve 10% of the remaining profit (legal reserve); and (iv) set aside as special reserve required by Taiwan Stock Exchange by the rules governing the special reserve of public companies. In accordance with the Company Law of the Cayman Islands and rules of public companies, where the Group made a profit in a fiscal year, the Group may combine all or parts of the accumulated undistributed retained earnings after considering the financial, operational and administrative factors, and the board should advise the shareholders that no less than 20% of the undistributed retained earnings should be distributed as dividends to shareholders unless the undistributed retained earnings are less than 20% of the outstanding ordinary shares. The dividends can be distributed in shares or cash, but the cash dividends should not be less than 10% of the total dividends distributed.

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

The appropriations of earnings for 2024 and 2023, which were approved in the shareholders' meetings on June 18, 2025 and June 20, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Legal reserve	\$ 4,991	\$ 40,485		
Cash dividends	76,393	239,644	\$ 1.50	\$ 5.00

The appropriation of earnings for 2025 had been proposed by the Company's board of directors on March 11, 2026. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 61,761	
Cash dividends	264,463	\$ 5.00

The appropriation of earnings for 2025 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 18, 2026.

d. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 21,653	\$ 17,105
Net (loss) profit for the year	(4,300)	4,395
Other comprehensive income/(loss) during the year		
Exchange differences on translation of the financial statements of foreign entities	92	1,337
Cash dividends to non-controlling interests	(883)	(1,184)
Balance on December 31	<u>\$ 16,562</u>	<u>\$ 21,653</u>

e. Other equity items

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ 26,482	\$ (111,371)
Recognized for the year		
Exchange differences on translation to the presentation currency	134,029	132,677
Exchange differences on the translation of the financial statements of foreign operations	7,852	5,176
Other comprehensive income recognized for the year	<u>141,881</u>	<u>137,853</u>
Balance on December 31	<u>\$ 168,363</u>	<u>\$ 26,482</u>

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	\$ (4,213)	\$ 9,183
Disposal of investments in equity instruments designated as at FVTOCI	-	(680)
Other comprehensive income (loss) recognized for the year		
Unrealized gain (loss) - equity instruments	<u>1,257</u>	<u>(12,716)</u>
Balance on December 31	<u>\$ (2,956)</u>	<u>\$ (4,213)</u>

25. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 3,731,075</u>	<u>\$ 2,388,013</u>

Contract Balances

	December 31, 2025	December 31, 2024	January 1, 2024
Trade receivables (Note 10)	<u>\$ 2,503,533</u>	<u>\$ 1,740,802</u>	<u>\$ 1,377,280</u>

26. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits (demand deposits and time deposits)	<u>\$ 4,981</u>	<u>\$ 3,741</u>

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income	\$ 1,861	\$ 1,790
Others	<u>9,507</u>	<u>3,343</u>
	<u>\$ 11,368</u>	<u>\$ 5,133</u>

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gains on disposal of non-current assets held for sale (Note 29)	\$ 197,048	\$ -
Net loss on financial assets and liabilities at fair value through profit or loss	(92,785)	(971)
Net foreign exchange (loss) gain	(29,549)	6,071
Loss on disposal of property, plant and equipment	(7,879)	(2,320)
Impairment loss recognized on goodwill	(6,254)	-
Others	<u>-</u>	<u>(93)</u>
	<u>\$ 60,581</u>	<u>\$ 2,687</u>

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 51,629	\$ 51,008
Interest on convertible bonds	9,542	2,784
Interest on lease liabilities	<u>2,503</u>	<u>1,742</u>
	<u>\$ 63,674</u>	<u>\$ 55,534</u>

e. Impairment losses (reversed) recognized on financial assets

	For the Year Ended December 31	
	2025	2024
Trade receivables	<u>\$ (14,221)</u>	<u>\$ 220,748</u>

f. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	\$ 207,022	\$ 178,108
Right-of-use assets	17,561	12,903
Other intangible assets	<u>18,495</u>	<u>18,185</u>
	<u>\$ 243,078</u>	<u>\$ 209,196</u>
An analysis of deprecation by function		
Operating costs	\$ 217,738	\$ 167,943
Operating expenses	<u>6,845</u>	<u>23,068</u>
	<u>\$ 224,583</u>	<u>\$ 191,011</u>
An analysis of amortization by function		
Operating costs	\$ 9,132	\$ 9,264
Operating expenses	<u>9,363</u>	<u>8,921</u>
	<u>\$ 18,495</u>	<u>\$ 18,185</u>

g. Employee benefits expense

Function	For the Year Ended December 31					
	2025			2024		
Properties	Operating Costs	Operating Expense	Total	Operating Costs	Operating Expense	Total
Salary expense	\$ 572,989	\$ 322,294	\$ 895,283	\$ 339,668	\$ 169,114	\$ 508,812
Employee benefits						
Defined contribution plans	-	160	160	-	151	151
Defined benefit plans (Note 23)	12,687	9,702	22,389	-	(6,667)	(6,667)
Other employee benefits	<u>66,354</u>	<u>60,668</u>	<u>127,022</u>	<u>24,463</u>	<u>28,776</u>	<u>53,239</u>
Total employee benefits expense	<u>\$ 652,030</u>	<u>\$ 392,824</u>	<u>\$ 1,044,854</u>	<u>\$ 364,131</u>	<u>\$ 191,404</u>	<u>\$ 555,535</u>

As of December 31, 2025 and 2024, the Group's monthly average of employees was 1,670 and 1,370 employees, respectively, including 4 directors not concurrently serving as employees for both years. Employee benefits expense of both years is calculated based on the abovementioned number of employees.

The average employee benefits expense for the years ended December 31, 2025 and 2024 was \$615 thousand and \$407 thousand, respectively.

The average employee salary expense and bonuses for the years ended December 31, 2025 and 2024 was \$528 thousand and \$372 thousand, respectively. The average employee salary expense has increased by 42% year over year.

The remuneration of managers is decided by the board of directors. Directors, supervisors, and managers' salary remuneration should correspond with the financial performance. If there is a significant decline in profit or long-term loss, the salary remuneration should not be higher than that of last year. If it is higher than that of last year, reasonable description needs to be disclosed and presented in the shareholders' meeting.

h. Compensation of employees and remuneration of directors

The Company accrued compensation of employees at rates between 0.1% and 10%, and accrued remuneration of directors at rates no higher than 2% of the net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which have been approved by the Company's board of directors on March 11, 2026 and March 13, 2025, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ 750	\$ 240
Remuneration of directors	1,200	1,200

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	\$ 68,527	\$ 82,218
Foreign exchange losses	<u>(98,076)</u>	<u>(76,147)</u>
Net foreign exchange gains (loss)	<u>\$ (29,549)</u>	<u>\$ 6,071</u>

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 114,792	\$ 54,452
Deferred tax		
In respect of the current year	<u>70,936</u>	<u>(1,353)</u>
Income tax expense recognized in profit or loss	<u>\$ 185,728</u>	<u>\$ 53,099</u>

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

	For the Year Ended December 31	
	2025	2024
Profit before tax	<u>\$ 799,591</u>	<u>\$ 106,729</u>
Income tax expense calculated at the statutory rate	\$ 160,781	\$ 29,691
Deferred tax effect of earnings of subsidiaries	(37,263)	(4,185)
Unrecognized deductible temporary differences	<u>62,210</u>	<u>27,593</u>
Income tax expense recognized in profit or loss	<u>\$ 185,728</u>	<u>\$ 53,099</u>

The Company was established in the British Cayman Islands and is exempt from paying income tax.

The applicable tax rate used by Jinpao in Thailand was 20%. The applicable tax rate used by Jinpao Japan, Jinpao Europe, ADB, LUTEC, SPEM and ADE is operated by the government.

b. Current tax liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 74,117</u>	<u>\$ 24,968</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for inventory valuation loss	\$ 5,864	\$ (2,170)	\$ -	\$ 132	\$ 3,826
Allowance for doubtful accounts	30,070	(7,163)	-	865	23,772
Defined benefit plans	<u>4,574</u>	<u>607</u>	<u>2,350</u>	<u>(755)</u>	<u>6,776</u>
	<u>\$ 40,508</u>	<u>\$ (8,726)</u>	<u>\$ 2,350</u>	<u>\$ 242</u>	<u>\$ 34,374</u>

Deferred tax liabilities

Temporary differences					
Retaining earnings of subsidiaries	<u>\$ 79,415</u>	<u>\$ 62,210</u>	<u>\$ (11,087)</u>	<u>\$ 4,807</u>	<u>\$ 135,345</u>

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for inventory valuation loss	\$ 4,588	\$ 921	\$ -	\$ 355	\$ 5,864
Allowance for doubtful accounts	316	28,302	-	1,452	30,070
Defined benefit plans	<u>4,559</u>	<u>(277)</u>	<u>-</u>	<u>292</u>	<u>4,574</u>
	<u>\$ 9,463</u>	<u>\$ 28,946</u>	<u>\$ -</u>	<u>\$ 2,099</u>	<u>\$ 40,508</u>

Deferred tax liabilities

Temporary differences					
Retaining earnings of subsidiaries	<u>\$ 55,891</u>	<u>\$ 27,593</u>	<u>\$ (8,777)</u>	<u>\$ 4,708</u>	<u>\$ 79,415</u>

d. Tax exemption information

Jinpao has been granted rights and privileges for the production of metal stamping, metal pieces and aircraft conversion under the Investment Promotion Act of B.E. 2520 (1977), summarized as follows:

1) The preferential measures granted under Certificate Number 1050(1)/2555 includes the following:

- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 8 years from the telecommunication income is first derived from the promoted activities which were on November 15, 2012.
 - In case of losses arising from operations during the period during which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from the net profit of any one year or several years.
 - Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.
- 2) The preferential measures granted under Certificate Number 1218(1)/2555 includes the following:
- Exemption from import duties on machinery as approved by the Board of Investment.
 - Exemption from corporate income tax for the period of 8 years from the aircraft conversion income is first derived from the promoted activities which were on January 4, 2013.
 - In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.
 - Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.
- 3) The preferential measures granted under Certificate Number 61-0664-1-00-2-0 includes the following:
- Exemption from import duties on machinery as approved by the Board of Investment.
 - Exemption from corporate income tax for the period of 8 years from the aircraft conversion income is first derived from the promoted activities which were on April 1, 2021.
 - In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.
 - Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.
- 4) The preferential measures granted under Certificate Number 66-1542-1-00-1-0 includes the following:
- Exemption from import duties on machinery as approved by the Board of Investment.
 - Exemption from corporate income tax for the period of 3 years from the income is first derived from the promotion certificate which were on January 1, 2024. The deduction limit amount is 50% of the investment amount, excluding land price and working capital.
- 5) The preferential measures granted under Certificate Number 67-1772-2-05-1-0 includes the following:
- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 3 years from the income is first derived from the promotion certificate which were on July 7, 2025. The deduction limit amount is 50% of the investment amount, excluding land price and working capital.
- In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.

Jinpao has met the requirements stipulated by the Board of Investment.

The Company is exempt from paying tax since it was incorporated in the Cayman Islands. The corporate income tax of Jinpao, Jinpao Japan, Jinpao Europe, ADB, LUTEC, SPEM and ADE of the group through 2024 has been assessed by the tax authorities.

28. EARNINGS PER SHARE

	For the Year Ended December 31	
	2025	2024
Basic earnings per share	<u>\$ 12.05</u>	<u>\$ 1.02</u>
Diluted earnings per share	<u>\$ 12.05</u>	<u>\$ 1.02</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2025	2024
Profit for the year attributable to owners of the Company	<u>\$ 618,163</u>	<u>\$ 49,235</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 618,163</u>	<u>\$ 49,235</u>

Weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	51,276	48,101
Effects of potentially dilutive ordinary shares:		
Compensation of employees	<u>3</u>	<u>2</u>
To calculate the weighted average number of shares of common stock for diluted earnings per share	<u>51,279</u>	<u>48,103</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
ADE	Metal parts manufacturing and milling	July 31, 2025	100	<u>\$ 58,656</u>

On July 31, 2025, the Group acquired ADE with the strategic intent of expanding its operational scale, enhancing the Group's overall competitiveness, and realizing the synergistic benefits arising from the European market.

b. merger consideration

	ADE
Cash	<u>\$ 58,656</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	ADE
Current assets	
Cash	\$ 1,847
Inventories	212,485
Other current assets	3,283
Non-current assets	
Property, plant and equipment	37,546
Right-of-use assets	96,316
Other non-current assets	50,750
Current liabilities	
Trade payables	(100,138)
Other current liabilities	(200,433)
Non-current liabilities	
Long-term borrowings	(18,837)
Other non-current liabilities	<u>(38,051)</u>
	<u>\$ 44,768</u>

The initial accounting treatment for the acquisition of ADE as of the consolidated balance sheet date remains provisional. Since the measurement of the identifiable assets acquired and liabilities assumed in the business combination has not yet been completed, provisional amounts have been recognized as of the consolidated balance sheet date, December 31, 2025. During the measurement period, retrospective adjustments may be made, or additional assets or liabilities may be recognized, to reflect new information regarding facts and circumstances that existed as of the acquisition date. Accordingly, upon obtaining the valuation report in 2026, the consolidated entity intends to adjust the original accounting treatment and provisional amounts from the acquisition date and restate the comparative information accordingly.

d. Goodwill recognized on acquisitions

	ADE
Merger consideration	\$ 58,656
Less: Fair value of identifiable net assets acquired	<u>(44,768)</u>
Goodwill recognized on acquisitions	<u>\$ 13,888</u>

The goodwill recognized in the acquisitions of ADE mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth and future market development.

The total amount of acquired goodwill is not tax-deductible.

e. Net cash outflow on the acquisition of subsidiaries

	ADE
Consideration paid in cash	\$ 58,656
Less: Cash and cash equivalent balances acquired	<u>(1,847)</u>
	<u>\$ 56,809</u>

f. Impact of acquisitions on the results of the Group

	ADE
Revenue	<u>\$ 153,537</u>
Loss	<u>\$ (33,036)</u>

Had ADE concluded the acquisition at the beginning of 2025, the Group's revenue would have been \$3,976,199 thousand, and the profit would have been \$642,770 thousand for the year ended December 31, 2025. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2025, nor is it intended to be a projection of future results.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. Key management personnel of the Group reviews the capital structure on an annual basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the number of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 251,264	\$ 334,500	\$ -	\$ -	\$ 334,500

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Investments in equity instruments at FVTOCI				
Private equity fund	\$ -	\$ -	\$ 12,397	\$ 12,397

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	\$ -	\$ 48,904	\$ -	\$ 48,904
Investments in equity instruments at FVTOCI				
Private equity fund	\$ -	\$ -	\$ 8,904	\$ 8,904

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

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - redemption, repurchase, and conversion rights of convertible bonds.	The valuation of convertible bonds is based on a binary tree valuation model, the inputs include fluctuation of conversion price, risk free interest rate, discount rate, and liquidity risk.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Overseas unlisted ordinary shares	Market approach
Private equity fund	The fair value is assessed using the asset-based approach, with due consideration given to the net worth and operating performance as reflected in the most recently issued financial statements of the investee.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
Financial assets at FVTOCI	\$ 12,397	\$ 8,904
Financial assets at amortized cost (1)	3,142,929	2,259,155
<u>Financial liabilities</u>		
Financial liabilities at FVTPL - current	-	48,904
Financial liabilities at amortized cost (2)	3,064,994	2,900,502

- 1) The balances include loans and receivables measured at amortized cost, which comprise cash, financial assets at amortized cost, trade receivables, and trade receivables from related parties.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, trade and other payables, trade payables to related parties, current portion of long-term borrowings, bonds payable and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, lease liabilities, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the USD and EUR.

The following table details the Group's sensitivity to a 5% increase and decrease in the Thai Baht (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and foreign exchange forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the Thai Baht strengthening 5% against the relevant currency. For a 5% weakening of the Thai Baht against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		EUR Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2025	2024	2025	2024
Profit or loss	<u>\$ 21,085</u> (i.)	<u>\$ 19,288</u> (i.)	<u>\$ (4,822)</u> (ii.)	<u>\$ (6,010)</u> (ii.)

- i. This was mainly attributable to the exposure outstanding on USD cash, receivables and payables which were not hedged at the end of the reporting period.
- ii. This was mainly attributable to the exposure outstanding on EUR cash, receivables and borrowings which were not hedged at the end of the reporting period.

b) Interest rate risk

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

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

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 151,015	\$ 168,515
Financial liabilities	1,062,718	1,123,058
Cash flow interest rate risk		
Financial assets	641,323	584,238
Financial liabilities	466,072	702,327

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increase (decreased) by \$1,753 thousand and \$(1,181) thousand, respectively, which was mainly a result of variable-rate deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in unlisted equity securities (recognized in financial assets at FVTOCI - non-current). Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the Group's pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$124 thousand and \$89 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties, and the Group's exposure and the credit ratings of its counterparties are continuously monitored. The aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly.

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

The Group's concentration of credit risk of 86% and 87% of total trade receivables as of December 31, 2025 and 2024, respectively, was due to the Group's five largest customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group is creditworthy and maintains good relationships with financial institutions. Therefore, the Group has no issues when applying for financing facilities from financial institutions.

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

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

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

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 110,090	\$ 1,415,749	\$ 92,684	\$ -	\$ -
Lease liabilities	917	1,835	19,225	54,129	9,874
Variable interest rate liabilities	49,352	-	178,264	238,456	-
Fixed interest rate liabilities	<u>576,093</u>	<u>379,545</u>	<u>24,941</u>	<u>-</u>	<u>-</u>
	<u>\$ 736,452</u>	<u>\$ 1,797,129</u>	<u>\$ 315,114</u>	<u>\$ 292,585</u>	<u>\$ 9,874</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	<u>\$ 21,977</u>	<u>\$ 54,129</u>	<u>\$ 9,874</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 127,573	\$ 943,082	\$ 39,487	\$ -	\$ -
Lease liabilities	897	1,795	6,447	17,644	8,242
Variable interest rate liabilities	2,820	129,171	118,954	451,382	-
Fixed interest rate liabilities	<u>48,115</u>	<u>720,667</u>	<u>67,987</u>	<u>-</u>	<u>-</u>
	<u>\$ 179,405</u>	<u>\$ 1,794,715</u>	<u>\$ 232,875</u>	<u>\$ 469,026</u>	<u>\$ 8,242</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	<u>\$ 9,139</u>	<u>\$ 25,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

b) Financing facilities

	December 31	
	2025	2024
Unsecured bank overdraft facilities:		
Amount used	\$ 278,796	\$ 18,825
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 278,796</u>	<u>\$ 18,825</u>
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	\$ 1,167,855	\$ 1,520,675
Amount unused	<u>853,915</u>	<u>401,618</u>
	<u>\$ 2,021,770</u>	<u>\$ 1,922,293</u>

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Hoo Thai Industrial Co., Ltd. (Hoo Thai)	Related party with the same board
Chin I Metal Co., Ltd. (Chin I)	Related party with the same board (from the 4th quarter of 2024 onwards, classified as a non-related party)
Hong Yang Thailand Co., Ltd. (Hong Yang)	Related party with the same board

b. Sales of goods

	For the Year Ended December 31	
Related Party Category	2025	2024
Related party with the same board	<u>\$ 19,633</u>	<u>\$ 6,848</u>

The prices of goods sold to related parties were made with reference to the market prices and based on the contracts.

c. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2025	2024
Related party with the same board	<u>\$ 62,510</u>	<u>\$ 54,258</u>

Purchases prices were based on markup of cost and calculated after consideration of the market prices.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category	December 31	
		2025	2024
Accounts receivable	Related party with the same board Hoo Thai	<u>\$ 3,093</u>	<u>\$ 1,375</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	December 31	
		2025	2024
Accounts payable	Related party with the same board Hoo Thai Hong Yang	<u>\$ 24,155</u> <u>2</u>	<u>\$ 12,231</u> <u>-</u>
		<u>\$ 24,157</u>	<u>\$ 12,231</u>

The outstanding trade payables to related parties are unsecured and will be settled in cash.

f. Acquisition of property, plant and equipment

Related Party Category	Purchase Price For the Year Ended December 31	
	2025	2024
Related party with the same board	<u>\$ 84</u>	<u>\$ -</u>

g. Disposal of property, plant and equipment

Related Party Category	Proceeds For the Year Ended December 31, 2025	Gain on Disposal For the Year Ended December 31, 2025
Related party with the same board	<u>\$ 145</u>	<u>\$ 145</u>

h. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31	
		2025	2024
Operating costs - rental and other expenses	Related party with the same board	\$ 4,945	\$ 5,732
Operating expenses - rental expenses	Related party with the same board	\$ 6,288	\$ -

Lease expenses included expenses relating to short-term leases, low-value asset leases and variable lease payments that do not depend on an index or a rate. Future lease payables related to short-term leases, low-value asset leases are as follows:

	December 31	
	2025	2024
Future lease payables	\$ 915	\$ 6,046

Rental amounts of rental agreements with related parties were made with reference to the market prices and based on general payment terms.

Line Item	Related Party Category	December 31	
		2025	2024
Other payables	Related party with the same board	\$ 997	\$ 787

i. Remuneration of key management personnel

The remuneration of directors and key executives for the years ended December 31, 2025 and 2024 are as follows:

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 12,162	\$ 10,282
Post-employment benefits	301	325
	\$ 12,463	\$ 10,607

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2025	2024
Pledged deposits (classified as financial assets at amortized cost)	\$ 227,106	\$ 168,515
Property, plant and equipment, net amount	423,019	406,300
	\$ 650,125	\$ 574,815

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Unrecognized commitments of Jinpao on the balance sheet date are as follows:

As of December 31, 2025 and 2024, the unpaid amounts from Jinpao's construction of new factories and purchase of equipment but whose contracts have been signed were \$232,707 thousand and \$275,897 thousand, respectively.

35. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 13,981	31.5826 (USD:THB)	\$ 442,358
EUR	1,600	37.1715 (EUR:THB)	<u>59,581</u>
			<u>\$ 501,939</u>
<u>Financial liabilities</u>			
Monetary items			
USD	653	31.5826 (USD:THB)	\$ 20,658
EUR	4,190	37.1715 (EUR:THB)	<u>156,028</u>
			<u>\$ 176,686</u>

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,940	35.1006 (USD:THB)	\$ 403,264
EUR	870	37.8007 (EUR:THB)	<u>31,629</u>
			<u>\$ 434,893</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	518	35.1006 (USD:THB)	\$ 17,496
EUR	4,174	37.8007 (EUR:THB)	<u>151,832</u>
			<u>\$ 169,328</u>
			(Concluded)

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

Foreign Currency	For the Year Ended December 31			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Loss
THB	0.9528 (THB:NTD)	<u>\$ (29,549)</u>	0.9160 (THB:NTD)	<u>\$ 6,071</u>

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 6) Intercompany relationships and significant intercompany transactions (Table 4)

b. Information on investees (Table 5)

c. Information on investments in mainland China (None)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" are as follows:

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

	For the Year Ended December 31	
	2025	2024
Revenue from external customers	\$ 3,731,075	\$ 2,388,013
Inter-segment revenue	-	-
Segment revenue	<u>3,731,075</u>	<u>2,388,013</u>
Eliminations	<u>-</u>	<u>-</u>
Consolidated revenue	<u>\$ 3,731,075</u>	<u>\$ 2,388,013</u>
Segment income	\$ 788,441	\$ 180,006
Non-operating income and expense	<u>11,150</u>	<u>(73,277)</u>
Income before income tax	<u>\$ 799,591</u>	<u>\$ 106,729</u>

Segment profit represents the profit before tax earned by each segment without allocation of lease income, interest income, other income, losses on disposal of property, exchange gains or losses, valuation losses on FVTPL, finance costs, other losses and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group's valuation of assets and liabilities was not provided to the chief operating decision maker.

c. Other segment information

	Molding and Metal Parts Department	
	For the Year Ended December 31	
	2025	2024
Depreciation and amortization	<u>\$ 243,078</u>	<u>\$ 209,196</u>

d. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2025	2024
Founding mold and metal parts	<u>\$ 3,731,075</u>	<u>\$ 2,388,013</u>

e. Geographical information

The Group operates in the principal geographical areas - Thailand and France. The Group's revenue from continuing operations from external customers by location of operations and information are detailed in a) segment revenue and results.

f. Information on major customers

Included in revenue from the molding and metal parts department of \$3,731,075 thousand and \$2,388,013 thousand in 2025 and 2024, respectively, is revenue of approximately \$1,203,459 thousand and \$652,484 thousand, which arose from sales to the Group's largest customer. Single customers contributing 10% or more to the Group's revenue were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Customer A	\$ 1,203,459	\$ 652,484
Customer B	740,326	346,634

TABLE 1

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, In Thousands of Thai Baht, In Thousands of Euro)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 1)	Ending Balance (Note 1)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	JPP Holding Company Limited	Jinpao Europe	Other receivables - related party	Yes	\$ 40,590 (EUR 1,100)	\$ 40,590 (EUR 1,100)	\$ 40,590 (EUR 1,100)	Note 3	Short-term financing needs	\$ -	Funding needs for short-term investments	\$ -	None	\$ -	\$ 739,480 (20% of net assets of JPP Holding Company Limited)	\$ 1,478,960 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	13,838 (EUR 375)	13,838 (EUR 375)	13,838 (EUR 375)	Note 3	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	739,480 (20% of net assets of JPP Holding Company Limited)	1,478,960 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	125,460 (EUR 3,400)	125,460 (EUR 3,400)	125,460 (EUR 3,400)	Note 3	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	739,480 (20% of net assets of JPP Holding Company Limited)	1,478,960 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	109,593 (EUR 2,970)	109,593 (EUR 2,970)	109,593 (EUR 2,970)	Note 3	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	739,480 (20% of net assets of JPP Holding Company Limited)	1,478,960 (40% of net assets of JPP Holding Company Limited)	Note 2
			Total		\$ 289,481 (EUR 7,845)	\$ 289,481 (EUR 7,845)	\$ 289,481 (EUR 7,845)										
2	ADB	LUTECH	Other receivables - related party	Yes	2,583 (EUR 70)	2,583 (EUR 70)	2,583 (EUR 70)	Note 4	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	15,071 (20% of net assets of ADB)	30,142 (40% of net assets of ADB)	Note 2
3	Jinpao Europe	ADB	Other receivables - related party	Yes	7,380 (EUR 200)	7,380 (EUR 200)	7,380 (EUR 200)	Note 4	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	9,375 (20% of net assets of Jinpao Europe)	18,751 (40% of net assets of Jinpao Europe)	Note 2
		LUTECH	Other receivables - related party	Yes	1,845 (EUR 50)	1,845 (EUR 50)	1,845 (EUR 50)	Note 5	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	9,375 (20% of net assets of Jinpao Europe)	18,751 (40% of net assets of Jinpao Europe)	Note 2
4	SPEM	Jinpao Europe	Other receivables - related party	Yes	5,535 (EUR 150)	5,535 (EUR 150)	5,535 (EUR 150)	Note 4	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	12,090 (20% of net assets of SPEM)	24,181 (40% of net assets of SPEM)	Note 2

Note 1: The financing facilities are approved by the board of directors of the Company and converted at the exchange rate on the balance sheet date.

Note 2: The transactions of the related parties have been eliminated in consolidated financial statements as of and for the year ended December 31, 2024.

Note 3: The annual interest rate for other receivables of funding is based on EURIBOR 3M plus 1.85%.

Note 4: The annual interest rate for other receivables of funding is based on EURIBOR 3M/6M plus 1.75%.

Note 5: The annual interest rate for other receivables of funding is based on EURIBOR 3M plus 1.75%.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025			Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership	
JPP Holding Company Limited	Private equity funds Golden Asia Fund III, LPA	None	Financial assets at FVTOCI - non-current	-	\$ 12,397	-	\$ 12,397

TABLE 3

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, In Thousands of Euro)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
JPP Holding Company Limited	Jinpao Europe	Parent and subsidiary	\$ 332,638 (EUR 9,004)	-	\$ -	-	\$ -	\$ -

Note: The transactions of the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2025.

TABLE 4

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		
				Financial Statement Account	Amount	Payment Terms % of Total Sales or Assets (Note 3)
0	JPP Holding Company Limited	Jinpao Europe Jinpao Europe Jinpao Europe	a a a	Other accounts receivable Interest receivable Interest income	\$ 289,481 43,157 8,212	Normal (Note 5) Normal (Note 5) Normal (Note 5)
1	JINPAO	LUTEC Jinpao Europe	c c	Operating income Other expenses	845 4,731	Normal (Note 5) Normal (Note 5)
2	Jinpao Europe	ADB ADB LUTEC	c c c	Operating income Other accounts receivable Other accounts receivable	16,147 7,380 1,845	Normal (Note 5) Normal (Note 5) Normal (Note 5)
3	ADB	LUTEC	c	Other accounts receivable	2,583	Normal (Note 5)
4	LUTEC	JINPAO	c	Operating income	2,251	Normal (Note 5)
5	SPEM	Jinpao Europe	c	Other accounts receivable	5,535	Normal (Note 5)

Note 1: Business relationships between the parent and subsidiaries are numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered in order from 1.

Note 2: Relationship between parties is numbered as follows:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. One subsidiary to another subsidiary.

Note 3: The percentage of consolidated operating revenue or consolidated total assets: For balance sheet accounts, the percentage is calculated by dividing the ending balance of the account by consolidated total assets; for income statement accounts, the percentage is calculated by dividing the interim accumulated amount of the account by the consolidated operating revenue.

Note 4: The disclosure of the significant transactions is determined by the materiality.

Note 5: The transactions of the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2025.

TABLE 5

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
JPP Holding Company Limited	Jinpao Precision Industry Co., Ltd.	631 Soi 12 Moo 4 Bangpoo Industrial Estate T. Phraksa, A. Muang, Samutprakarn 10280	Material parts design and manufacturing	\$ 2,069,975 (THB 2,198,437 thousand)	\$ 2,069,975 (THB 2,198,437 thousand)	77,574,998	99.99	\$ 3,686,366	\$ 815,195	\$ 815,195	Note 1
Jinpao Precision Industry Co., Ltd.	Jinpao Precision Japan Co., Ltd.	Vision Center Nihonbashi Fukushima Bldg. 2F, 1-5-3 Nihonbashi-numachi, Chuo-ku, Tokyo, 103-0022, Japan	Developing and selling metal processed products	-	6,489 24,000 (¥ thousand)	-	-	-	-	-	Notes 1, 2
	Jinpao Europe SAS	Zone Industrielle Pyrene Aéroporté, 65290 Louey	Metal parts manufacturing and milling	68,278 (EUR thousand)	68,278 (EUR thousand)	1,900,000	76.00	35,958	(23,639)	(17,966)	Note 1
	Wefly Aero Co., Ltd	647 Moo 4 Soi 11 Phraksa, A. Muang Samutprakarn, 10280 Thailand	Aviation training	4,808 (THB thousand)	4,808 (THB thousand)	500,000	25.00	-	(809)	-	-
	I motor manufacturing Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Mobility vehicles manufacturing	44,462 (THB thousand)	44,462 (THB thousand)	497,214	24.86	21,439	(8,471)	(2,106)	-
	I motor marketing Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Mobility vehicles marketing and selling	5,717 (THB thousand)	5,717 (THB thousand)	63,748	25.50	-	226	-	-
	I motor holding Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Holding company	15,228 (THB thousand)	13,322 (THB thousand)	180,799	40.00	2,004	11	-	-
	W H J Thermal (Thailand) Co., Ltd.	629 Moo 4, Phraek Sa Subdistrict, Muang Samut Prakan District, Samut Prakan 10280, Thailand	Manufacture of components related to electronic and optical products	1,252 (THB thousand)	1,252 (THB thousand)	12,499	25.00	1,252	-	-	-
	Vertex Byte Solution Co., Ltd.	120/234 Thana City Village, Moo 4, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan 10540, Thailand	Information technology service	150 (THB thousand)	150 (THB thousand)	6,000	25.00	150	-	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%			
Jimpao Europe SAS	Atelier de décolletage de Bigorre	Zone Industrielle Pyrène Aéroport, 65290 Louey	Metal parts manufacturing and milling	\$ 164,153 (thousand) (EUR 4,675 thousand)	\$ 164,153 (thousand) (EUR 4,675 thousand)	5,776	100.00	\$ 13,885	\$ 13,885	Note 1
	SAS LUTEC	27 Chemin Lou Tribail Zone Artisanale de Tournoucau CESTAS, 33610	Metal parts manufacturing and milling	85,162 (thousand) (EUR 2,454 thousand)	73,784 (thousand) (EUR 2,132 thousand)	417,933	100.00	(13,665)	(13,665)	Note 1
	SPEM AERO SAS	6 Rue du Castelmouly, 65200 Bagnères-de-Bigorre	Surface treatment	112,934 (thousand) (EUR 3,351 thousand)	112,934 (thousand) (EUR 3,351 thousand)	2,993	95.00	31,667	30,084	Note 1
	Agiliteam ADE	Route de Tarbes, Route Zone industrielle 65100	Metal parts manufacturing and milling	56,418 (thousand) (EUR 1,575 thousand)	-	7,707	100.00	(33,036)	(33,036)	Notes 1, 3

Note 1: Calculated based on the investees' audited financial statements for the same period and the Company's shareholding proportion.

Note 2: Jimpao Precision Japan Co., Ltd. completed its dissolution and liquidation proceedings on June 16, 2025.

Note 3: Agiliteam ADE was incorporated into the consolidated entity on July 31, 2025, and the Company has recognized only the profit or loss incurred subsequent to the consolidation date.

Note 4: Except for Wefly, I motor manufacturing Co., Ltd., I motor marketing Co., Ltd., WHJ Thermal (Thailand) Co., Ltd. and Vertexbyte Solution Co., Ltd. the investment gain (loss) of the investee companies, investments accounted for using the equity method and net asset values between investee companies have been fully eliminated upon the preparation of the consolidated financial statements.

(Concluded)