Stock Code: 6605

DEPO AUTO PARTS INDUSTRIAL Co., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

Address: No. 20-3, Nanshi Ln., Lukang Township, Changhua County
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Declaration for Consolidated Financial Statements of Affiliates

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements of DEPO Auto Parts Industrial Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of DEPO Auto Parts Industrial Co., Ltd. and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Sincerely,

Company name: DEPO AUTO PARTS INDUSTRIAL Co., LTD.

Person in charge: Hsieh, Hsiu-Chi

March 12, 2026

Independent Auditors' Report

DEPO Auto Parts Industrial Co., Ltd.

Audit opinion

We have audited the accompanying consolidated financial statements of DEPO AUTO PARTS INDUSTRIAL Co., LTD. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 matter identified in the Company's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

Recognition of export revenue

The Group's main source of the production and sale of automotive lights. In 2025, revenue from transactions with specific customers was significant, and these transactions each yielded substantial results. The accuracy of revenue recognition from these specific customers is related to key audit matters. For accounting practices related to revenue recognition, please refer to Note 4 to the overall individual financial statements.

The main audit procedures that we have performed in response to the above key audit matters are as follows:

1. We figured out and evaluated the design and implementation of internal control related to the audit and related risk to the sales and collection cycle, and execute testing on its effectiveness.
2. We sampled from the sales breakdown, examined the shipping documents, export declarations, sales invoices and other related documents, and verified whether the recipients and consignees are the same.

Other Matters

We have also audited the parent company only financial statements of DEPO AUTO PARTS INDUSTRIAL Co., LTD. as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements 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 auditing standards 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 parent company only financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made by the 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 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 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 financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

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 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.

Deloitte & Touche
CPA:Chiang, Shu-Chin

CPA: Su,Ting-Chien

Financial Supervisory Commission Approval reference number of the Management Committee
Jin-Guan-Zheng-Shen-Zi No. 1000028068

Financial Supervisory Commission Approval reference number of the Management Committee
Jin-Guan-Zheng-Shen-Zi No. 1070323246

March 12, 2026

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Consolidated balance sheet
December 31, 2025 and 2024

Unit: NTD thousand

Code	Asset	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 3,641,729	11	$ 4,045,910	12
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	-	-	15,314	-
1136	Financial assets at amortized cost - current (Notes 4, 7 and 28)	294,198	1	149,962	1
1150	Notes receivable (Notes 4, 9, and 21)	322,942	1	342,358	1
1170	Accounts receivable - net (Notes 4, 9 and 21)	3,716,893	11	3,641,900	11
1200	Other receivables (Notes 4)	87,196	-	135,352	-
1220	Deferred tax assets (Notes 4 and 23)	15,932	-	717	-
130X	Inventories (Notes 4 and 10)	6,678,959	20	6,085,841	19
1460	Non-current Assets Held for Sale(Notes 4 and 11)	120,448	1	122,851	-
1470	Other current assets	134,153	1	170,204	1
11XX	Other current assets	15,012,450	46	14,710,409	45
	non-current assets				
1600	Property, plant and equipment (Notes 4.13 and 28)	12,846,757	39	13,099,435	40
1755	Right-of-use assets (Notes 4, 14, 27, and 28)	430,702	1	544,858	2
1760	Investment property (Notes 4 and 15)	378,826	1	431,129	1
1780	Intangible assets (Note 4)	131,605	-	86,311	-
1840	Deferred tax assets (Notes 4 and 23)	1,129,055	4	1,067,669	3
1915	Prepayment for land and equipment	2,868,017	9	3,001,030	9
1920	Refundable deposits (Note 4 and 27)	16,687	-	16,489	-
1975	Net defined benefit assets - non-current (Notes 4 and 19)	22,663	-	19,942	-
15XX	Total non-current assets	17,824,312	54	18,266,863	55
1XXX	Total assets	$ 32,836,762	100	$ 32,977,272	100

Code	Liabilities and equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities				
2100	Short-term bank borrowings (Note 16)	$ 1,584,269	5	$ 1,162,802	4
2130	Contract liabilities - current (Notes 4 and 21)	452,361	2	402,406	1
2150	Notes payable (Note 17)	956,698	3	1,096,257	3
2170	Accounts payable	1,640,856	5	1,760,673	5
2200	Other payable (Notes 18 and 27)	2,281,070	7	2,497,465	8
2230	Current tax liabilities (Notes 4 and 23)	716,563	2	604,330	2
2280	Lease liabilities - current (Notes 4, 14 and 27)	100,006	-	118,272	-
2320	Long-term liabilities expiring within one year or one business cycle (Note 16)	3,190,148	10	-	-
2399	Other current liabilities (Notes 11 and 18)	1,100,884	3	505,397	2
21XX	Total current liabilities	12,022,855	37	8,147,602	25
	Non-current liabilities				
2540	Long-term bank borrowings (Note 16)	-	-	4,653,775	14
2570	Current tax liabilities (Notes 4 and 23)	15,816	-	69,570	-
2580	Lease liabilities - non-current (Notes 4, 14 and 27)	182,354	1	277,187	1
2630	Long-term deferred revenue (Note 18)	139,042	-	158,179	1
2645	Guarantee deposited	72,660	-	76,870	-
25XX	Total non-current liabilities	409,872	1	5,235,581	16
2XXX	Total liabilities	12,432,727	38	13,383,183	41
	Equity attributable to owners of parent company				
3110	Common share capital	1,658,164	5	1,658,164	5
3200	Additional paid-in capital	2,500,187	8	2,500,187	7
	Retained earnings				
3310	Statutory reserves	3,010,388	9	2,695,171	8
3320	Special reserves	137,583	-	140,099	1
3350	undistributed earnings	12,740,333	39	12,226,463	37
3400	Other equity	(143,627)	-	(137,583)	-
31XX	Total equity attributable to owners of parent company	19,903,028	61	19,082,501	58
36XX	Non-controlling interests	501,007	1	511,588	1
3XXX	Total equity	20,404,035	62	19,594,089	59
	Total liabilities and equity	$ 32,836,762	100	$ 32,977,272	100

The accompanying notes form part of the consolidated financial statements

Chairperson: Hsieh, Hsiu-Chi　　Manager:Hsu Hsu-Ming　　Controller: Chen, Po-Hung

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024
Unit: NTD thousand, except Earnings Per Share (NTD)

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 21)	$ 19,412,715	100	$ 20,156,074	100
5000	Operating cost (Notes 10 and 22)	13,296,946	68	13,289,757	66
5900	Gross profit	6,115,769	32	6,866,317	34
	Operating expenses (Notes 22 and 27)				
6100	Sales expenses	1,026,993	6	1,032,595	5
6200	Administrative expenses	1,019,505	5	1,141,320	6
6300	R&D expenses	797,970	4	789,372	4
6450	Expected credit losses(Reversal of benefits) (Note 4 and 9)	2,432	-	(12,783)	-
6000	Total operating expenses	2,846,900	15	2,950,504	15
6900	Net operating income	3,268,869	17	3,915,813	19
	Non-operating income and expenses				
7010	Other income (Notes 4 and 22)	192,449	1	265,667	2
7020	Other income and losses (Notes 4.13 and 22)	(304,408)	(2)	225,373	1
7050	Financial cost (Notes 4. 22 and 27)	(269,192)	(1)	(373,865)	(2)
7100	Interest revenue (Notes 4)	30,852	-	37,899	-
7000	Total non-operating income and expenses	(350,299)	(2)	155,074	1
7900	Net income before tax	2,918,570	15	4,070,887	20
7950	Income tax expense (Note 4 and 23)	598,036	3	914,891	4
8200	Net profit for the year	2,320,534	12	3,155,996	16

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Code		2025 Amount	2025 %	2024 Amount	2024 %
	Other comprehensive income				
8310	Items not to be reclassified as profit or loss:				
8311	Re-measurements of net defined benefit asset	$ 1,825	-	$ 4,526	-
8316	Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(71)	-	653	-
8360	Items that may be reclassified subsequently as profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(19,994)	-	26,846	-
8300	Other comprehensive income for this period (net of tax)	(18,240)	-	32,025	-
8500	Total comprehensive income for this period	$ 2,302,294	12	$ 3,188,021	16
8600	Net profit attributable to:				
8610	Owners of the Company	$ 2,316,512	12	$ 3,147,645	16
8620	Non-controlling interests	4,022	-	8,351	-
		$ 2,320,534	12	$ 3,155,996	16
8700	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 2,312,875	12	$ 3,154,687	16
8720	Non-controlling interests	(10,581)	-	33,334	-
		$ 2,302,294	12	$ 3,188,021	16
	Earnings per share (Note 24)				
9750	Basic	$ 13.97		$ 18.98	
9850	Diluted	$ 13.79		$ 18.76	

The accompanying notes form part of the consolidated financial statements

Chairperson: Hsieh, Hsiu-Chi Manager: Hsu Hsu-Ming Controller: Chen, Po-Hung

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Code		Equity attributable to owners of parent company								Non-controlling interests (Note 12)	Total equity
		Common share capital (Note 20)	Additional paid-in capital (Note 20)	Retained earnings (Note 20)			Other equity(Notes 4 and 23)		Total		
				Statutory reserves	Special reserves	Undistributed earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income			
A1	Balance, January 1, 2024	1,658,164	2,500,187	2,458,193	146,985	10,382,191	(140,099)	-	17,005,621	478,254	17,483,875
	Earning appropriation and distribution for 2023										
B1	Statutory reserves	-	-	236,978	-	(236,978)	-	-	-	-	-
B3	Special reserves	-	-	-	(6,886)	6,886	-	-	-	-	-
B5	The Company’s cash dividend to shareholders	-	-	-	-	(1,077,807)	-	-	(1,077,807)	-	(1,077,807)
D1	Net income (loss) for 2024	-	-	-	-	3,147,645	-	-	3,147,645	8,351	3,155,996
D3	Other comprehensive income after tax for 2024	-	-	-	-	4,526	1,863	653	7,042	24,983	32,025
D5	Total comprehensive income for 2024	-	-	-	-	3,152,171	1,863	653	3,154,687	33,334	3,188,021
Z1	Balance, December 31, 2024	1,658,164	2,500,187	2,695,171	140,099	12,226,463	(138,236)	653	19,082,501	511,588	19,594,089
	Earning appropriation and distribution for 2024										
B1	Statutory reserves	-	-	315,217	-	(315,217)	-	-	-	-	-
B3	Special reserves	-	-	-	(2,516)	2,516	-	-	-	-	-
B5	The Company’s cash dividend to shareholders	-	-	-	-	(1,492,348)	-	-	(1,492,348)	-	(1,492,348)
D1	Net profit for 2025	-	-	-	-	2,316,512	-	-	2,316,512	4,022	2,320,534
D3	Other comprehensive income after tax for 2025	-	-	-	-	1,825	(5,391)	(71)	(3,637)	(14,603)	(18,240)
D5	Total comprehensive income for 2025	-	-	-	-	2,318,337	(5,391)	(71)	2,312,875	(10,581)	2,302,294
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	582	-	(582)	-	-	-
Z1	Balance, December 31, 2025	$ 1,658,164	$ 2,500,187	$ 3,010,388	$ 137,583	$ 12,740,333	($ 143,627)	$ -	$ 19,903,028	$ 501,007	$ 20,404,035

The accompanying notes form part of the consolidated financial statements

Chairperson: Hsieh, Hsiu-Chi　　Manager: Hsu Hsu-Ming　　Controller: Chen, Po-Hung

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Code		2025	2024
	Cash flow from operating activities		
A10000	Net income before tax for the current year	$ 2,918,570	$ 4,070,887
A20010	Income and expenses		
A20100	depreciation expense	2,156,261	2,347,865
A20200	Amortized expenses	23,154	25,548
A20300	Expected credit losses(Reversal of benefits)	2,432	(12,783)
A20900	servicing costs	269,192	373,865
A21200	Interest income	(30,852)	(37,899)
A22500	Losses on disposal of property, plant and equipment	69,554	79,417
A23700	Impairment loss of non-financial assets	79,728	12,459
A24100	Unrealized foreign currency exchange gain	(10,467)	(75,122)
A29900	Long-term deferred income is transferred to other income	(15,659)	(5,394)
A29900	Profit from lease modification	(846)	-
A30000	Changes in assets and liabilities related to operating activities		
A31130	Notes receivable	19,416	(114,894)
A31150	Trade receivable	(89,353)	(240,033)
A31180	Other receivables	48,052	(7,312)
A31200	Inventories	(681,441)	(883,476)
A31240	Other current assets	36,051	80,846
A31990	Net defined benefit assets- non-current	(440)	(153)
A32125	contract liability	49,955	(44,157)
A32130	Notes payable	(147,155)	381,176
A32150	Accounts payable	(119,801)	(120,141)
A32180	Other payables	(199,119)	254,382
A32230	Other current liabilities	595,487	320,761
A33000	Cash generated from operating activities	4,972,719	6,405,842
A33100	Interest received	30,852	37,899
A33300	Interest paid	(258,416)	(371,504)
A33500	Income tax paid	(615,268)	(1,083,899)
AAAA	Cash flow generated from operating activities	4,129,887	4,988,338

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Code		2025	2024
	Cash flow generated from operating activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	$ -	($ 14,661)
B00020	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	15,243	-
B00040	Acquisition of financial assets at amortized cost	(637,572)	(204,568)
B00050	Proceeds from disposal of financial assets at amortized cost	495,192	128,833
B02700	Acquisition of property, plant, and equipment	(183,370)	(361,483)
B02800	Proceeds of disposal of property, plant and equipment	6,676	26,393
B03700	Increase in refundable deposits	(964)	(669)
B03800	Decrease in refundable deposits	390	74
B04500	Acquisition of intangible assets	(34,376)	(29,922)
B07100	Prepayment for land and equipment	(1,564,995)	(1,494,946)
BBBB	Net cash flow used in investment activities	(1,903,776)	(1,950,949)
	Cash flow of financing activities		
C00100	Increase in short -term bank borrowings	6,273,057	6,234,313
C00200	Decrease in short-term bank borrowings	(5,811,912)	(6,377,333)
C01600	Long-term bank borrowings	4,066,114	693,288
C01700	Prepayment to long-term bank borrowings	(5,376,964)	(2,321,120)
C03000	Increase in deposits received	477	3,572
C03100	Decrease in deposits received	(4,660)	(10,957)
C04020	Repayment of lease principal	(134,970)	(185,577)
C04500	Distribution of cash dividends	(1,492,348)	(1,077,807)
CCCC	Net cash flow used in financing activities	(2,481,206)	(3,041,621)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(149,086)	99,456
EEEE	Increase(Dcrease) in cash and cash equivalents for the current year	(404,181)	95,224
E00100	Cash and cash equivalents at beginning of year	4,045,910	3,950,686
E00200	Cash and cash equivalents at end of year	$ 3,641,729	$ 4,045,910

The accompanying notes form part of the consolidated financial statements

Chairperson: Hsieh, Hsiu-Chi Manager: Hsu Hsu-Ming Controller: Chen, Po-Hung

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Notes to consolidated financial statements
For the years ended December 31, 2025 and 2024
(Unless otherwise specified, the amounts are in thousands of NTD)

I. Company History

DEPO AUTO PARTS INDUSTRIAL Co., LTD. (hereinafter referred to as "the Company") was established in April 1980. The Company's main business scope includes stamping, plastic injection, baking paint and other transportation equipment manufacturing, processing and trading for domestic sales and export, as well as mold manufacturing, processing for domestic sales and export.

The Company's shares were approved to be traded on the Emerging Stock Market by Taipei Exchange in December 2002, and was approved by the Taiwan Stock Exchange for listing on the Stock Exchange in March 2004.

The consolidated financial statements of the Company are presented in the Company's functional currency, New Taiwan dollar.

II. Date and procedure for the approval of the financial statements

The consolidated financial report has been approved by the board of directors on March 12, 2026.

III. Adoption of newly issued and amended standards and interpretations

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

Amendments to IAS 21 "Lack of Exchangeability"
The application of the modification of IAS 21 "Lack of Convertibility" will not result in significant changes to the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as the "Consolidated Company").

(II) Amendments to IFRSs endorsed by the FSC for application starting from 2026

New, Revised or Amended 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 Involving Naturally Dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 Insurance Contracts(Including amendments in 2020 and 2021)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1.Modifications to the application guidelines for relevant financial asset classifications.

The amendment mainly changes the classification rules of financial assets, including:

(1)If a financial asset contains a contingency that could change the timing or amount of its contractual cash flows, and the nature of the contingency is not directly related to changes in the underlying lending risk and costs (such as whether the obligor achieves a specific carbon emissions reduction), the contractual cash flows of such financial assets will still be entirely payments of principal and interest on the outstanding principal amount if both of the following conditions are met:

- The contractual cash flows arising from all possible scenarios (before or after the contingency) are entirely payments of principal and interest on the outstanding principal amount; and
- The contractual cash flows for all possible scenarios do not differ materially from the cash flows of financial instruments with the same contractual terms but without the contingent features.

(2)Clarification of non-recourse characteristics of financial assets refers to the ultimate right of the enterprise to receive cash flows, which are contractually limited to cash flows generated by specific assets.

(3)Clarifying that contract-linked instruments establish multiple tranches of securities through a waterfall payment structure to establish payment priorities for financial asset holders, thereby creating a concentration of credit risk and causing cash shortfalls from the underlying pool to be distributed disproportionately among different tranches of securities.

2. Amendments to the Application Guidelines for Related Financial Deposits

This primarily clarifies that financial liabilities should be delisted on the settlement date. However, when an enterprise uses an electronic payment system to settle financial liabilities in cash, it must elect to delist the financial liabilities on the settlement date if the following conditions are met:

- The enterprise does not have the practical ability to withdraw, stop, or cancel the payment instruction;
- The enterprise does not have the practical ability to access the cash to be used for settlement due to the payment indicator; and
- The settlement risk associated with the electronic payment system is not significant.

The Merging Company shall apply the amendments retrospectively without restating comparative periods, and shall recognize the impact of initial application on the date of initial application. However, if the enterprise can restate without the benefit of hindsight, it may elect to restate comparative periods.

In addition to the above-mentioned effects, as of the date of approval and issuance of this consolidated financial report, the Merging Company is continuing to evaluate the impact of each amendment on its financial position and performance, and will disclose the relevant impact when this evaluation is complete.

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

New, Revised or Amended Standards and Interpretations	Effective Date Announced (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined
IFRS18 " Presentation and Disclosure of Financial Statements"	January 1, 2027(Note2)
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027
IAS 21 Amendment: "Exchange Rates Converted to High Inflation"	January 1, 2027

Note1 : Unless stated otherwise, the above new, revised or amended standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

N0te2： On September 25, 2025, the Financial Supervisory Commission (FSC) announced that Taiwanese companies should adopt IFRS 18 from January 1, 2028, but may choose to adopt it earlier if the FSC approves IFRS 18.

IFRS18 " Presentation and Disclosure of Financial Statements" and related amendments

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

The Merging Company shall assess whether it has specific major operating activities involving investments in specific types of assets and providing financing to customers, and accordingly classify the income and expense items in the profit and loss statement into categories such as operating, investing, financing, income tax and discontinued units.

The profit and loss statement should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.

Provide guidance to strengthen aggregation and segmentation requirements: Merging companies must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other events, and classify and summarize them on the basis of common characteristics so that the main financial Each line item presented in the report has at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The merged company will label these items as "other" only if it cannot find a more informative name.

Increase the disclosure of performance measures defined by management: When the combined company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the combined company's overall financial performance to users of financial statements, it should disclose it in a single note to the financial statements. Information related to performance measurement defined by management, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

In addition, the IAS 7 "Statement of Cash Flows" has been amended as follows:

When preparing cash flows from operating activities using the indirect method, the merging company shall use operating profit or loss as the starting point for adjustment.

If the merging Company is assessed to have specific principal operating activities, considering the types of dividend income, interest income and interest expense reported in the income statement, and the classification of prepaid dividends, prepaid interest and paid interest in the scale, each of the above items can only be classified into their respective activities in the scale.

In addition to the above impacts, as of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the assessment is completed.

IV. Summary description of significant accounting policies

(I) Statement of compliance

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

(II) Basis of preparation

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

The fair value measurements are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement:

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

(III) Criteria of 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 balance sheet date; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1. Liabilities held mainly for trading purposes;
2. Liabilities due to be settled within 12 months after the reporting period; (a liability is a current liability even if a long-term refinancing or rescheduling agreement is completed after the balance sheet date and prior to the adoption of the financial statements); and
3. Liabilities for which the Company does not have an unconditional right 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.

(IV) Basis of consolidation

The consolidated financial statements contain the financial statements of the Company and the entities controlled by the Company (subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by 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.

When the Group's change in the ownership of the subsidiary does not result in loss of control, it is treated as an equity transaction. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (2) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Refer to Note 12 and Table 6 and 7 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

(V) Foreign currency

In preparing each entity's financial statements, 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 balance sheet date, 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.

Non-monetary items measured at fair value that are denominated in foreign currencies 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 items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the balance sheet date; 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 and attributed to owners of the Company and non-controlling interests, respectively.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences attributable to the Company's owners recognized in other comprehensive income is reclassified to profit or loss.

(VI) Inventories

Inventories consist of raw materials, supplies, finished goods and work in process 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 the same group. 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. Inventories are priced at standard cost and adjusted on the balance sheet date to make inventory closer to the cost calculated by the weighted average method.

(VII) Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, 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 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.

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.

(VIII) Investment Property

Freehold investment property is held for the purpose of earning rent or capital appreciation or both.

Freehold investment property is initially recognized at costs (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. Investment property is depreciated on a straight-line basis.

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

(IX) Intangible assets

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 of intangible assets is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

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

(X) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

At the balance sheet date, the Group reviews its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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 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 in prior years (less amortization or depreciation). A reversal of an impairment loss is recognized in profit or loss.

(XI) Non-current Assets Held for Sale

The carrying amounts of non-current assets are classified as held for sale when they are expected to be recovered primarily through sales transactions rather than continued use. Non-current assets qualifying for this classification must be available for immediate sale in their current condition, and their sale must be highly probable. A sale is considered highly probable when an appropriate level of management is committed to a plan to sell the asset and the sale is expected to be completed within one year from the classification date.

Non-current assets classified as for sale are measured at the lower of the carrying amount and fair value less costs of sale, and depreciation is stopped for such assets.

(XII) Financial Instruments

Financial assets and financial liabilities are recognized in the Group balance sheet when the Company 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 issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial asset

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

(1) Types of assessments

Financial assets held by the group Company are all financial assets measured at amortized cost and Investments in equity instruments at FVTOCI.

A. Amortized cost

The group Company’s financial assets that meet the following two conditions are subsequently measured at amortized cost:

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

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

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

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

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

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

Credit-impaired financial assets refer to situations where a issuer or obligor has experienced major financial difficulty, default; or the obligor is likely to file for bankruptcy; or financial reorganization has occurred; or an active market for financial assets disappears due to financial difficulties

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

B. Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity investments that is not held for trading as at FVTOCI.

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.

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

(2) Impairment of financial assets

The group Company estimates impairment for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

For internal credit risk management purposes, the group Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

A. Internal or external information show that the debtor is unlikely to pay its creditors.

B. When a financial asset is more than average credit period past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

(3) Derecognition of financial assets

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

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. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2. Financial liability

(1) Subsequent measurements

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

(2) Derecognition of financial liabilities

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

(XIII) Recognition of income

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

If the interval between the transfer of goods or services and the receipt of consideration of a contract is less than one year, no price adjustment is made to the significant financing component.

Sales revenue is mainly from the sale of automotive lighting products. Revenue and accounts receivable are recognized when the customer obtains control over the committed assets. Prepayments for sales are recognized as contractual liabilities.

Regarding processing subcontract, the ownership of the processed product is not transferred; therefore, the income is not recognized for the subcontract.

(XIV) Lease

On the date of contract formation, the Group assesses whether the contract is (or contains) a lease.

1. The Group as lessor

A lease is classified as a operating lease if it does not transfers substantially all the risks, and rewards to the lessee upon transfer of property or asset.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2. The Group as lessor

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis over the lease term, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately 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 measured at the present value of the lease payments (including fixed payments). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If such rate cannot be readily determined, the lessee's incremental borrowing rate is used.

Lease liabilities are subsequently 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 resulting from a change in future lease payments, 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 re-measurement is recognized in profit or loss. Lease liabilities are presented separately on the consolidated balance sheets.

(XV) Government grants

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

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses of the related costs for which the grants are intended to compensate.

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

(16) 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 service.

2. Post-employment benefits

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

Defined benefit costs (including service cost, net interest and re-measurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Re-measurement 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 defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(17) Income Taxes

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

1. Income tax for the current year

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

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

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

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the 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 generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for research and development expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and joint ventures, 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. For deferred tax assets arising from deductible temporary differences associated with such investments, the interests are only recognized to the extent that it is probable that there will be sufficient taxable profit 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the balance sheet date 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 year 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 balance sheet date. 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 balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

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

V. Critical accounting judgments and key sources of estimation uncertainty

When adopting accounting policies, the management of the Merger Company must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for which relevant information is not easily obtained from other sources. Actual results may differ from estimates.

When developing significant accounting estimates, the Merged Company will consider the possible impact of climate change and related government policies and regulations, inflation, market interest rate fluctuations, financial, energy, foreign exchange market fluctuations and U.S. reciprocal tariff measures in the estimation of cash flow, growth rate, discount rate, profitability and other related significant estimates. Management will continue to review estimates and underlying assumptions.

The accounting policies, estimates and underlying assumptions adopted by the Merger Company have been evaluated by the Merger Company's management and no significant accounting judgments, estimates or assumptions are uncertain.

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and transition money	$ 2,012	$ 3,496
Bank checks and demand deposits	3,493,906	4,030,249
Cash equivalents		
Bank time deposits with original maturities of less than 3 months	145,811	12,165
	$ 3,641,729	$ 4,045,910

VII. Financial assets at fair value through other comprehensive income - current

Equity Instrument Investment	December 31, 2025	December 31, 2024
Domestic listed shares	$ -	$ 15,314

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly ,the management selected 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.

VIII. Financial assets measured at amortized cost - current

	December 31, 2025	December 31, 2024
Restricted bank deposits	$ 160,049	$ 121,062
Not restricted		
Bank time deposit	134,149	28,900
	$ 294,198	$ 149,962

Refer to Note 28 for information relating to financial assets at amortized cost pledged as security.

IX. Notes receivable and accounts receivable, net

	December 31, 2025	December 31, 2024
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 322,942	$ 342,358
Net accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 3,821,850	$ 3,746,178
Less: Allowance for losses	(104,957)	(104,278)
	$ 3,716,893	$ 3,641,900

(I) Notes receivable

Account age analysis of notes receivable are as follow:

	December 31, 2025	December 31, 2024
Not Past Due	$ 322,942	$ 342,358

The aging analysis was conducted based on the ledger date.

(II) Net accounts receivable

The Group's average credit period for sales is 90 days, and no interest is accrued on accounts receivable. The policy adopted by the Group is to conduct transactions only with counterparties whose ratings are equal to or higher than the investment grade, and obtain sufficient guarantees to reduce the risk of financial losses due to default when necessary. Credit ratings are based on the ratings given to major customers by the Group using other publicly available financial information and historical transaction records. The Group continuously monitors credit risk and the credit rating of transaction counterparties, and diversifies the total transaction amount to different customers with qualified credit ratings. In addition, transaction counterparties' credit lines are reviewed and approved by the finance department annually to manage credit risk.

To mitigate credit risk, the Group has taken appropriate actions with respect to credit line determination, credit approval and other monitoring procedures to ensure the collection of overdue accounts receivable. In addition, the Group regularly reviews the recoverable amount of accounts receivable to ensure that appropriate impairment loss has been appropriated for uncollectible accounts receivable. Thus, the Company's management believes that the Company's credit risk has been significantly reduced.

The Group recognizes allowance for losses of accounts receivable based on the expected credit loss throughout the lifetime. Lifetime Expected Credit losses are based on the customer's past default history and current financial condition. Based on the Group's credit loss history, different customer groups do not have significantly different loss patterns. Therefore, the Company does not further differentiate between customer groups and only uses the number of days after the ledger date of accounts receivable to determine the expected credit loss rate.

If there is evidence that a transaction counterparty is in serious financial difficulty, and the Group cannot reasonably estimate the recoverable amount, the Group will directly writes off the related accounts receivable. However, collection activities will continue, and the amount recovered through collection will be recognized as profit.

The following is a summary of the Group's measurement of allowance for losses on accounts receivable:

	Less than 90 days after ledger date	91–180 days after ledger date	181–360 days after ledger date	Over 361 days after ledger date	Total
December 31, 2025					
Expected credit loss rate	0%-1%	5%-20%	10%-50%	100%	
Total carrying amount	$ 3,619,467	$ 99,740	$ 17,652	$ 84,991	$ 3,821,850
Allowance for losses (lifetime expected credit losses)	(5,823)	(5,317)	(8,826)	(84,991)	(104,957)
Amortised cost	$ 3,613,644	$ 94,423	$ 8,826	$ -	$ 3,716,893
December 31, 2024					
Expected credit loss rate	0%-1%	5%-20%	10%-50%	100%	
Total carrying amount	$ 3,496,963	$ 158,115	$ 27,639	$ 63,461	$ 3,746,178
Allowance for losses (lifetime expected credit losses)	(17,899)	(9,098)	(13,820)	(63,461)	(104,278)
Amortised cost	$ 3,479,064	$ 149,017	$ 13,819	$ -	$ 3,641,900

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2025	2024
Balance at the beginning of the year	$ 104,278	$ 194,745
Provision(Rotation) of impairment loss in the current year	2,432	(12,783)
Actual write-offs during the year	-	(84,950)
Translation of foreign currency	(1,753)	7,266
Balance at the end of the year	$ 104,957	$ 104,278

For the amount of the receivable accounts receivable sold by the Group and the relevant terms, please refer to Note 26.

X. Inventories

	December 31, 2025	December 31, 2024
Commodities	$ 1,806,663	$ 1,412,907
Finished goods	2,351,766	2,046,256
Work-in-progress	364,556	321,225
Raw materials	2,046,364	2,174,312
Supplies	109,610	131,141
	$ 6,678,959	$ 6,085,841

The nature of the cost of goods sold related to inventory is as follows:

	2025	2024
Cost of inventory sold	$ 13,224,575	$ 13,277,298
Devaluation and obsolescence losses of inventories	72,371	12,459
	$ 13,296,946	$ 13,289,757

XI. Non-current Assets Held for Sale

	December 31, 2025	December 31, 2024
Land use rights for sale	$ 22,821	$ 23,276
Assets such as houses, buildings, attachments and equipment for sale	97,627	99,575
	$ 120,448	$ 122,851

In compliance with the relocation plan policy of the High-tech Zone of the Kunshan Municipal Government in Mainland China, Depo Transportation Equipment (Kunshan) Co., Ltd. (Depo Kunshan Company) signed a corporate relocation agreement with Kunshan High-tech Zone Housing Expropriation Service Office Co., Ltd. on September 27, 2024 for land use rights, buildings, accessories, equipment and other assets, with a total amount of RMB 177,064,000. As of December 31, 2025 and December 31, 2024, the prepaid amounts were RMB177,064,000 and RMB53,120,000 respectively (recorded as other current liabilities).

The aforementioned transaction is expected to complete the disposal process within 12 months, because the relevant assets will be reclassified as non-current assets for sale, which will be expressed separately in the consolidated balance sheet.

Since the relocation compensation expected to be received will exceed the carrying amount of the relevant net assets, no impairment loss should be recognized.

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements were as follows:

		% of Ownership	
Investor	Subsidiary	December 31, 2025	December 31, 2024
DEPO Auto Parts Industrial Co., Ltd.	Depo Auto Co., Ltd. (Depo Auto)	100	100
	Depo Auto Lamp (M) Sdn. Bhd. (Depo Auto Lamp)	100	100
	Maxzone Vehicle Lighting Corp. (Maxzone)	100	100
	Depo Traffic Facilities (Thailand) Co., Ltd. (Depo Thailand)	100	100
	Hung Chia Pao Co., Ltd. (Hung Chia Pao)	100	100
Depo Auto	Depo Industrial Co., Ltd. (Depo Industrial)	100	100
	Chen Yang Transportation Material Co., Ltd. (Chen Yang)	100	100
	Fuk Yuan Investment Limited (Fuk Yuan)	100	100
	Depo Holdings Ltd. (Depo Holdings)	100	100
	Lupo Investment Worldwide Ltd. (Lupo Investment)	100	100

Hung Chia Pao	Cheng Yuan trading co., ltd. (Cheng Yuan)	100	-
Depo Industrial	DEPO Traffic Facilities (Kunshan) Co.,Ltd. (DEPO Kunshan)	100	100
	DEPO Traffic Material (Danyang) Co.,Ltd. (DEPO DANYANG)	100	100
	DEPO Auto Lamp Hefei Co.,Ltd. (DEPO Auto Lamp Hefei)	100	100
	Ningbo DEPO Traffic Facilities Co.,Ltd. (Ningbo DEPO)	100	100
Depo Holdings	DEPO Auto Lamp Manufacturing (Nanchang) Co.,Ltd. (DEPO Traffic Facilities Nanchang)	50	50
Lupo Investment	DEPO Auto Lamp Manufacturing (Hefei) Co.,Ltd. (DEPO Auto Lamp manufacturing Hefei)	65	65

Refer to Table 6 and 7 for the information on the places of incorporation and principal places of business.

The Company indirectly acquired 50% of the equity of DEPO Traffic Facilities (Nanchang) Co.,Ltd. through Depo Holdings Ltd.. After considering the Company's substantive ability to dominate its main activities, it is listed as a subsidiary.

In 2024, the company increased its capital in Depo Thailand by NT$33,440,000 (THB 35,000,000) and Depo Auto by NT$325,720,000 (10,000,000 US Dollars).

In 2025, our company increased its capital in Depo Auto by NT$662,416,000 (US$20,000,000).

In order to meet operational needs, expand business and operate with integrity, the board of directors of Hung Chia Pao Company decided to establish Shengyuan Company in April 2025, with Hung Chia Pao Company directly investing 100% of the shares and an investment of NT$5,000,000.

(II) Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)	
Subsidiary	December 31, 2025	December 31, 2024
DEPO Traffic Facilities Nanchang	50	50

The summarized financial information below represents amounts before intragroup eliminations:

	December 31, 2025	December 31, 2024
Current asset	$ 381,397	$ 341,252
Non-current assets	748,202	775,538
Current liabilities	(697,947)	(670,562)
Equity	$ 431,652	$ 446,228
Equity attributable to:		
Owners of the Company	$ 215,826	$ 223,114
Non-controlling interests of DEPO Traffic Facilities Nanchang	215,826	223,114
	$ 431,652	$ 446,228

	2025	2024
Operating revenue	$ 566,064	$ 580,114
Net profit (loss) for the year	($ 5,708)	$ 4,962
Net profit (loss) attributable to:		
Owners of the Company	($ 2,854)	$ 2,481
Non-controlling interests of DEPO Traffic Facilities Nanchang	(2,854)	2,481
	($ 5,708)	$ 4,962
Cash flows		
Operating activities	($ 26,512)	$ 70,739
Investing activities	(13,220)	(29,450)
Financing activities	37,180	(58,506)
Cash flows used	($ 2,552)	($ 17,217)

XIII. Property, plant, and equipment

2025	Freehold land	House and building	Machines	Mold equipment	Transportation equipment	Other equipment	Uncompleted construction	Total
Costs								
Balance, January 1, 2025	$ 3,152,354	$ 5,795,395	$ 3,127,084	$ 8,423,845	$ 60,485	$ 1,397,283	$ 294,560	$ 22,251,006
Addition	-	19,365	10,334	78,433	15,037	22,646	36,356	182,171
Disposal	-	(6,093)	(254,419)	(1,472,504)	(5,377)	(56,732)	-	(1,795,125)
Reclassification	-	201,230	150,012	1,140,091	14	376,452	(113,876)	1,753,923
Net exchange differences	13,346	(26,507)	(22,739)	(67,935)	(520)	(11,750)	(380)	(116,485)
Balance, December 31, 2025	$ 3,165,700	$ 5,983,390	$ 3,010,272	$ 8,101,930	$ 69,639	$ 1,727,899	$ 216,660	$ 22,275,490
accumulated depreciation								
Balance, January 1, 2025	$ -	$ 1,457,770	$ 1,896,176	$ 4,794,032	$ 28,878	$ 936,119	$ -	$ 9,112,975
Depreciation	-	177,460	319,662	1,364,150	9,217	163,090	-	2,033,579
Disposal	-	(6,093)	(249,356)	(1,407,196)	(1,350)	(54,900)	-	(1,718,895)
Reclassification	-	35,429	-	-	-	-	-	35,429
Net exchange differences	-	(16,137)	(12,080)	(42,443)	(291)	(8,783)	-	(79,734)
Balance, December 31, 2025	$ -	$ 1,648,429	$ 1,954,402	$ 4,708,543	$ 36,454	$ 1,035,526	$ -	$ 9,383,354
accumulated derogation								
Balance, January 1, 2025	$ -	$ -	$ -	$ 38,596	$ -	$ -	$ -	$ 38,596
Derogation	-	-	-	6,886	-	471	-	7,357
Net exchange differences	-	-	-	(586)	-	12	-	(574)
Balance, December 31, 2025	$ -	$ -	$ -	$ 44,896	$ -	$ 483	$ -	$ 45,379
Balance, December 31, 2025	$ 3,165,700	$ 4,334,961	$ 1,055,870	$ 3,348,491	$ 33,185	$ 691,890	$ 216,660	$ 12,846,757

2024	Freehold land	House and building	Machines	Mold equipment	Transportation equipment	Other equipment	Uncompleted construction	Total
Costs								
Balance, January 1, 2024	$ 3,131,930	$ 5,640,529	$ 3,226,153	$ 8,381,606	$ 74,915	$ 1,349,121	$ 468,060	$ 22,272,314
Addition	-	7,477	32,444	124,319	5,127	27,856	27,871	225,094
Disposal	-	(66)	(355,993)	(1,608,044)	(30,561)	(27,403)	-	(2,022,067)
Reclassification	-	89,269	163,256	1,360,220	9,832	26,516	(211,270)	1,437,823
Net exchange differences	20,424	58,186	61,224	165,744	1,172	21,193	9,899	337,842
Balance, December 31, 2024	$ 3,152,354	$ 5,795,395	$ 3,127,084	$ 8,423,845	$ 60,485	$ 1,397,283	$ 294,560	$ 22,251,006
accumulated depreciation								
Balance, January 1, 2024	$ -	$ 1,312,768	$ 1,811,053	$ 4,688,390	$ 38,632	$ 801,133	$ -	$ 8,651,976
Depreciation	-	158,054	341,759	1,516,357	9,977	137,464	-	2,163,611
Disposal	-	(39)	(289,878)	(1,514,021)	(20,465)	(16,758)	-	(1,841,161)
Reclassification	-	(30,540)	-	-	-	(230)	-	(30,770)
Net exchange differences	-	17,527	33,242	103,306	734	14,510	-	169,319
Balance, December 31, 2024	$ -	$ 1,457,770	$ 1,896,176	$ 4,794,032	$ 28,878	$ 936,119	$ -	$ 9,112,975
accumulated derogation								
Balance, January 1, 2024	$ -	$ -	$ -	$ 99,301	$ -	$ 9,574	$ -	$ 108,875
Disposal	-	-	-	(65,137)	-	(9,959)	-	(75,096)
Net exchange differences	-	-	-	4,432	-	385	-	4,817
Balance, December 31, 2024	$ -	$ -	$ -	$ 38,596	$ -	$ -	$ -	$ 38,596
Balance, December 31, 2024	$ 3,152,354	$ 4,337,625	$ 1,230,908	$ 3,591,217	$ 31,607	$ 461,164	$ 294,560	$ 13,099,435

Due to the expected future economic benefits of some mold equipment and other equipment, the combined company's recoverable amount is less than the book value. Recognized impairment loss of 7,357 thousand (accounted for other gains and losses).

Depreciation expenses are accrued on a straight-line basis over their estimated useful lives as shown in the following:

House and building	
Plant and main building	10 to 56 years
Others	5–56 years
Machines	3–20 years
Mold equipment	2–10 years
Transportation equipment	3–10 years
Other equipment	3–20 years

Please refer to Note 28 for the amount of property, plant and equipment pledged as collateral for the bank acceptances.

XIV. Lease agreement

(I) right-of-use asset

	December 31, 2025	December 31, 2024
Book value of right-of-use assets		
Land	$ 203,816	$ 204,970
Buildings	226,886	339,888
	$ 430,702	$ 544,858

	2025	2024
Addition in right-of-use assets	$ 41,554	$ 850

	2025	2024
Depreciation expense for right-of-use assets		
Land	$ 10,967	$ 12,808
Buildings	107,887	157,640
	$ 118,854	$ 170,448

No impairment losses were recognized or reversed in 2025 and 2024.

(II) lease liabilities

	December 31, 2025	December 31, 2024
Book value of lease liabilities		
Current	$ 100,006	$ 118,272
Non-current	$ 182,354	$ 277,187

The range of the discount rate for lease liabilities is as follows:

	December 31, 2025	December 31, 2024
Land	1.64	1.64
Buildings	1.29-6.20	1.29-6.20

(III) Significant lease activities and terms and conditions

The Group leases land, factory warehouses, parking lots, etc. from a related party (the second degree of consanguinity of the key management and the general manager) for a period of 2-10 years and pays monthly by notes. The rent of warehouses from related parties is adjusted according to a certain percentage of the agreement every year. In addition, a certain amount of management fee is paid, and is paid by bills issued on a monthly basis, and the payments are made by notes issued monthly. The Group does not have bargain purchase options to acquire all of the said leased assets at the end of the lease terms. For information on the land leased from related parties, please refer to Note 27.

The Group has acquired the land tenure in China for 50 years and is entitled to the disposition, such as usage rights, income rights and transfer and leasing rights during the land tenure, and is responsible for various taxes and fees payable for the use of the land. Please refer to Note 28 for the amount of land tenure pledged as collateral for the bank acceptances and loans.

(IV) Other lease information

	2025	2024
short-term lease	$ 142,696	$ 90,509
Expenses relating to low-value asset leases	$ 4,485	$ 1,415
Total cash used for leases	($ 297,956)	($ 299,088)

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

XV. Investment Property

2025	Balance at the beginning of the year	Additions	Reclassification	Net exchange differences	Balance at the end of the year
Costs					
Land	$ 259,613	$ -	$ -	$ -	$ 259,613
House and building	241,609	-	(83,830)	1,076	158,855
	501,222	$ -	($ 83,830)	$ 1,076	418,468
Accumulated depreciation					
House and building	70,093	$ 3,828	($ 35,429)	$ 1,150	39,642
	$ 431,129				$ 378,826
2024					
Costs					
Land	$ 259,613	$ -	$ -	$ -	$ 259,613
House and building	370,960	-	(138,823)	9,472	241,609
	630,573	$ -	($ 138,823)	$ 9,472	501,222
Accumulated depreciation					
House and building	145,053	$ 13,806	($ 93,706)	$ 4,940	70,093
	$ 485,520				$ 431,129

The investment properties are leased out for 2–11 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future aggregate lease collection under operating lease for investment properties is as follows:

	December 31, 2025	December 31, 2024
Year 1	$ 16,193	$ 14,925
Year 2	15,604	14,363
Year 3	12,548	11,363
Year 4	12,587	11,441
Year 5	12,666	11,559
Over Year 5	39,828	55,768
	$ 109,426	$ 119,419

The Group implements general risk management policies to reduce the residual asset risk of the leased investment property at the end of the lease term.

No impairment losses were recognized or reversed in 2025 and 2024.

Depreciation expenses are accrued on a straight-line basis over their estimated useful lives (20–50 years):

The fair value of certain investment properties of the Group as of December 31, 2025 and 2024 both was $497,071 thousand. The fair value was evaluated by the Group's management with reference to the transaction prices in the neighboring regions. Certain investment properties are located in Yushan Township, Kunshan City and Hangzhou Bay New District, Ningbo City. The market for these locations is not active, and no reliable alternative fair value estimates are available; therefore, the fair value cannot be reliably determined.

XVI. Loans

(I) Short-term bank borrowings

	December 31, 2025	December 31, 2024
Credit borrowings	$ 1,472,479	$ 1,127,684
Secured borrowings	44,716	35,118
Other borrowings	67,074	-
	$ 1,584,269	$ 1,162,802

Annual interest rate (%)		
Credit borrowings	2.90-5.53	3.60-6.19
Secured borrowings	3.05-3.15	3.36
Other borrowings	2.90	-

Secured borrowings as of December 31, 2025 and December 31, 2024 were secured by the time deposit of CNY10,000 thousand and CNY7,700 thousand from related parties.

(II) Long-term bank borrowings

	December 31, 2025	December 31, 2024
Unsecured bank borrowings	$ 3,190,148	$ 4,657,135
Less:Those classified as current portion	(3,190,148)	-
Transaction costs	-	(3,360)
Long-term bank borrowings	$ -	$ 4,653,775

	Borrowing period	Key terms and conditions	December 31, 2025	December 31, 2024
Borrowings at floating rate				
Borrowings in NTD	March, 2021– March, 2026	Syndication of Taiwan Cooperative Bank ,already repaid in advance in May 2025.	$ -	$ 1,000,000
	March, 2023– March, 2028	The medium-term loan from Bank of Taiwan, which is repayable in twenty-four equal declining installments, 1 months per instalment, starting from March 2027.,already repaid in advance in May 2025.	-	10,000
	February, 2023– February, 2030	The medium-term loan from Bank of Taiwan, which is repayable in forty-eight equal declining installments, 1 months per instalment, starting from February 2027,already repaid in advance in May 2025.	-	8,000
Borrowings in USD	October, 2021– October, 2026	The syndication of the Mega Bank loan	3,190,148	3,639,135
			(USD 101,500)	(USD 111,000)
			$ 3,190,148	$ 4,657,135
Interest rate (%)				
Borrowings in NTD			-	1.40-2.15
Borrowings in USD			4.69-5.37	5.44-6.41

In order to strengthen the mid-term working capital and repay existing debts, the Company entered into a 5-year joint credit agreement with a syndicate of 9 financial institutions, such as Taiwan Cooperative Bank, in December 2020. The total amount is $7.2 billion, of which $3.6 billion is for Type A credit facilities; the outstanding principal balance of each drawn amount shall be repaid on the maturity date of the respective borrowing; the amount was used to repay existing debts and to replenish the working capital in the mid-term, and the outstanding balance of the 2015 syndicated loan has priority to be repaid. The remaining $3.6 billion is for Type B credit facilities and the remaining $5.4 billion is for Type C credit facilities. Starting from December 2024, the amount will be reduced in 3 installments at 6-month intervals. For the 1st and 2nd installments, each installment will be reduced by 5% and the remaining credit will be eliminated in the 3rd installment. If the amount borrowed is greater than the limit, the amount shall be repaid immediately. Pursuant to the joint credit agreement, the Company shall maintain the following consolidated financial ratios in the consolidated financial statements during the period of the loan:

1. The tangible net worth shall remain at or above $10 billion (inclusive).
2. The debt ratio shall remain below 70%(inclusive).
3. The debt service coverage ratio shall remain above 5(inclusive).

If any of the terms and conditions are not met, the Company shall pay a lump sum compensation fee of 0.1% of the outstanding principal balance as of the date of audit and shall improve by means, such as seasoned equity offering. If the Company fails to meet any of the terms and conditions, the Company shall have 0.1% of the outstanding balance on the audit date calculated in a lump sum and made improvements in cash or in other ways. If the company does make improvements before the audit date, adjust the to the agreements referred to above, it is not regarded as a breach of contract. Our company has prepaid the aforementioned amount in May 2025.

In December 2020, the Company provided endorsements and guarantees to DEPO Kunshan, Ningbo DEPO, DEPO Danyang, and Maxzone to facilitate each of these subsidiaries to enter into a 5-year syndicated credit agreement with a syndicate of 9 financial institutions, including Mega Bank, for a total amount of USD 150 million for the purpose of replenishing the medium-term working capital and repaying the existing USD loans. Pursuant to the joint credit agreement, the Company shall maintain the following consolidated financial ratios in the consolidated financial statements during the period of the loan:

1. The net worth shall remain at over 10 billion (inclusive).
2. The debt ratio shall remain below 70%(inclusive).
3. The debt service coverage ratio shall remain above 3(inclusive).

If any of the terms and conditions are not met, the management bank shall convene a meeting of the banking syndicate to determine whether the company is in default under the loan agreement.

XVII. Notes payable

	December 31, 2025	December 31, 2024
Occurring from operating activities	$ 827,044	$ 974,199
Occurring from non-operating activities	129,654	122,058
	$ 956,698	$ 1,096,257

XVIII. Other payables

Other payables	December 31, 2025	December 31, 2024
Salary and bonus payable	$ 548,042	$ 584,231
Payables for equipment	431,186	439,981
Remuneration to employees, directors and supervisors payable	331,974	446,473
Processing fees payable	316,702	309,624
Others	653,166	717,156
	$ 2,281,070	$ 2,497,465

Other current liabilities	December 31, 2025	December 31, 2024
Unearned receipts	$ 791,761	$ 242,271
Others	309,123	263,126
	$ 1,100,884	$ 505,397

Long-term deferred revenue	$ 139,042	$ 158,179

Long-term deferred income is the government subsidy income for the relocation of Dibaoshan Company in 2023, and it is transferred to income within the useful life of the relevant assets. The fluctuation information is as follows:

	For the Nine Months Ended December 31,2025	For the Nine Months Ended December 31,2024
Opening balance	$ 158,179	$ 155,539
Transfer to other income	(15,659)	(5,394)
Foreign currency translation differences	(3,478)	8,034
Ending balance	$ 139,042	$ 158,179

XIX. Post-employment benefit plans

(I) Defined contribution plans

The pension system under the Labor Pension Act applicable to the Company and Hung Chia Pao Company of the Group is a government-managed defined contribution retirement plan, which transfers 6% of employees' monthly salary to the personal accounts at the Labor Insurance Bureau.

The employees of the Group's subsidiaries in Mainland China and Malaysia are members of the retirement benefit plans operated by the local governments. These subsidiaries are required to contribute a specified percentage of payroll costs to a retirement benefit plan to fund the plan. The Group's obligation for this government-operated retirement benefit plan is only to make certain amounts of contributions

The Group's subsidiaries in other regions are holding companies or do not have retirement plans and systems in place.

(II) Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts of the defined benefit plans listed in the parent company only balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 18,760	$ 19,677
Fair value of plan assets	(41,423)	(39,619)
Net defined benefit assets	($ 22,663)	($ 19,942)

Change of net defined benefit assets is as follow:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
January 1, 2024	$ 27,379	($ 41,510)	($ 14,131)
Current service cost	114	-	114
Interest expense (income)	342	(519)	(177)
Recognized in profit or loss	456	(519)	(63)
Re-measurement			
Plan asset return (except for the amount included in net interest)	-	(4,196)	(4,196)
Actuarial loss (gain)			
- Changes in financial assumptions	(410)	-	(410)
—Experience adjustments	(1,052)	-	(1,052)
Recognized in other comprehensive income	(1,462)	(4,196)	(5,658)
Employer's contribution	$ -	($ 90)	($ 90)
Payment of welfare	(6,696)	6,696	-
December 31, 2024	19,677	(39,619)	(19,942)
Current service cost	30	-	30
Interest expense (income)	295	(595)	(300)
Recognized in profit or loss	325	(595)	(270)
Re-measurement			
Plan asset return (except for the amount included in net interest)	-	(3,070)	(3,070)
Actuarial loss (gain)			
- Changes in financial assumptions	384	-	384
—Experience adjustments	405	-	405
Recognized in other comprehensive income	789	(3,070)	(2,281)
Employer's contribution	-	(170)	(170)
Payment of welfare	(2,031)	2,031	-
December 31, 2025	$ 18,760	($ 41,423)	($ 22,663)

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

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by the Company's plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit

obligation.

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

	December 31, 2025	December 31, 2024
Discount rate	1.25%	1.50%
Expected increase in salary	2.00%	2.00%

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

	December 31, 2025	December 31, 2024
Discount rate		
0.25% increase	($ 385)	($ 396)
0.25% decrease	$ 397	$ 409
Expected increase in salary		
0.25% increase	$ 387	$ 400
0.25% decrease	($ 377)	($ 390)

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 would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2025	December 31, 2024
The expected contributions to the plan for the next 1 year	$ 367	$ 92
The average duration of the defined benefit obligation	8.3years	9years

XX. Equity

(I) Common share capital

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (in thousands)	165,816	165,816
Issued capital	$ 1,658,164	$ 1,658,164

(II) Additional paid-in capital

	December 31, 2025	December 31, 2024
Premium from stock issuance	$ 1,931,044	$ 1,931,044
Arising from conversion of bonds	534,693	534,693
Interest compensation payable for convertible corporate bonds	34,450	34,450
	$ 2,500,187	$ 2,500,187

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers and convertible bonds), the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal and donations 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 stock dividends up to a certain percentage of the paid-in capital.

(III) Retained earnings and dividend policy

In accordance with the earnings distribution policy set forth in the Company's Articles of Incorporation, if 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 legal reserve 10% of the remaining profit (however, provided the legal reserve has reached the amount of the Company's paid-in capital, this may not apply), setting aside or reversing a special reserve in accordance with the laws and regulations, and The board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders.

For the remuneration distribution policy for employees and directors and supervisors stipulated in the company's articles of association, please refer to Note 22 (5) Employee Remuneration and Directors and Supervisors Remuneration.

In addition, according to the Company's Articles of Incorporation, the dividend policy is responsive to the Company's current and future development plans, the investment environment, future capital needs, and long-term financial planning, as well as shareholders' needs for cash inflow. Cash dividend shall not be less than 20% of the total amount of shareholders' dividends. The board of directors may decide to adjust the ratio depending on the fund status, business expansion, and capital expenditure needs.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset a 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.

When special reserve is recognized for the net decrease in other equity accumulated in prior years, only the undistributed earnings of prior years are recognized.

The Company held regular shareholders' meetings in June 2025 and 2024 and resolved to approve the appropriation of earnings for 2024 and 2023, respectively, as follows:

	2024	2023
Statutory reserves	$ 315,217	$ 236,978
Add: Special reserve reversed	(2,516)	(6,886)
Cash dividend	1,492,348	1,077,807
Cash dividend per share (NT$)	9	6.5

On March 12, 2026, the board of directors proposed the 2025 earnings distribution plan as follows:

	2025
Statutory reserves	$ 231,892
Special reserve reversed	6,044
Cash dividend	1,077,807
Cash dividend per share (NT$)	6.5

The 2025 earnings appropriation is still pending for resolution by the shareholders' meeting scheduled to be held on June 16, 2026.

(IV) Special reserves

Since there is an insufficient amount of increase in retained earnings from the initial adoption of IFRSs, a special reserve is recognized only for the increase in retained earnings of $81,640 thousand arising from the adoption of IFRSs.

When adopting IFRSs for the first time, the special reserve recognized for the translation of financial statements of foreign operations (including subsidiaries) is reversed according to the Company's proportionate share of the disposal. When the Company no longer has significant influence, all of the special reserves are reversed.

XXI. Operating revenue

	2025	2024
Revenue from contracts with customers		
Merchandise sales revenue	$ 19,412,715	$ 20,156,074

Balance of contract

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	$ 322,942	$ 342,358	$ 227,464
Net accounts receivable	3,716,893	3,641,900	3,345,595
	$ 4,039,835	$ 3,984,258	$ 3,573,059
Lease liabilities - current			
Sales of goods	$ 452,361	$ 402,406	$ 446,563

Please refer to Note 32 for the breakdown of revenue.

XXII. Net profit for the year

(I) Other income

	2025	2024
Rent income	$ 31,208	$ 58,722
Others	161,241	206,945
	$ 192,449	$ 265,667

(II) Other benefits and losses

	2025	2024
Net foreign currency exchange gain(loss)	($ 146,545)	$ 361,225
Gain on disposal of property, plant and equipment	(69,554)	(79,417)
Others	(88,309)	(56,435)
	($ 304,408)	$ 225,373

(III) servicing costs

	2025	2024
Interest of bank loans	$ 252,615	$ 351,171
Interest on lease liabilities	15,805	21,587
Interest of other loans	772	1,107
	$ 269,192	$ 373,865

(IV) Employee benefits, depreciation and amortization expenses

Category	Operating costs	Operating expenses	Non-operating expenses	Total
2025				
Employee benefit expenses				
Short-term employee benefits	$ 1,728,862	$ 1,011,471	$ -	$ 2,740,333
Post-employment benefits				
Defined contribution plans	76,695	33,111	-	109,806
defined benefit plan	-	(270)	-	(270)
Other employee benefits	301,924	112,039	-	413,963
depreciation expense	1,943,350	175,815	37,096	2,156,261
Amortized expenses	1,688	21,466	-	23,154

Category	Operating costs	Operating expenses	Non-operating expenses	Total
2024				
Employee benefit expenses				
Short-term employee benefits	$ 1,902,675	$ 1,061,264	$ -	$ 2,963,939
Post-employment benefits				
Defined contribution plans	69,841	30,212	-	100,053
defined benefit plan	-	(63)	-	(63)
Other employee benefits	283,316	105,423	-	388,739
depreciation expense	2,074,118	233,603	40,144	2,347,865
Amortized expenses	711	24,837	-	25,548

(V) Remuneration to employees, directors and supervisors

In accordance with the Company's Articles of Association, the Company allocates 1% to 8% of its pre-tax profit for employee and director compensation and no more than 3% for core compensation, respectively, based on the full year's pre-tax profit before employee and director compensation. Pursuant to the August 2024 amendment to the Securities and Exchange Act, the Company approved the Articles of Association amendment at its 2025 shareholders' meeting, specifying that no less than 60% of the total employee compensation allocated for the year shall be allocated to grassroots compensation. The employee compensation (including the compensation of junior staff) and directors' compensation listed in the assessments for 2025 and 2024 are as follows, as resolved by the management in March 2026 and March 2025 respectively:

	2025		2024	
Cash	Accrual rate	Amount	Accrual rate	Amount
Employee remuneration	8%	$ 260,064	8%	$ 355,328
Directors’ and supervisors’ remuneration	2%	65,016	2%	88,832

If there is any change in the annual consolidated financial statements after the date of adoption, the change in accounting estimate will be treated as an adjustment in the following year.

There is no difference between the actual amount of remuneration to employees and remuneration to directors and supervisors for fiscal 2024 and 2023 and the amount recognized in the consolidated financial statements for 2024 and 2023.

Please refer to "Market Observation Post System" of the Stock Exchange for information on the remuneration to employees and remuneration to directors and supervisors resolved by the Company’s board of directors.

(VI) Gains/losses on foreign currency exchange

	2025	2024
Total foreign exchange gains	$ 791,165	$ 636,184
Total loss on foreign currency exchange	(937,710)	(274,959)
Net gain (loss)	($ 146,545)	$ 361,225

XXIII. Income tax

(I) Major components of income tax expenses recognized in profit or loss

	2025	2024
Income tax for the current year		
Generated during the year	$ 691,199	$ 990,951
Levies on undistributed earnings	36,834	23,808
Adjustments for previous year	(15,747)	(4,417)
	712,286	1,010,342
Deferred tax		
Generated during the year	(114,250)	(95,451)
Income tax expenses recognized in profit or loss	$ 598,036	$ 914,891

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

	2025	2024
Income tax expense calculated at the statutory rate	$ 509,661	$ 718,122
Permanent difference	(6,998)	(7,286)
Non-recognizable profit and loss for taxation	3,671	1,261
Subsidiary's surplus repatriation of taxes	1,476	-
Effect of deferred income tax on subsidiaries' earnings	68,964	44,821
Levies on undistributed earnings	36,834	23,808
Unrecognized temporary difference	(18,591)	59,498
Unrecognized Loss offset	18,766	79,084
Current adjustments for prior years’ deferred tax	(15,747)	(4,417)
Income tax expenses recognized in profit or loss	$ 598,036	$ 914,891

(II) Deferred tax assets and liabilities

Changes of deferred tax assets and liabilities are as follows:

2025	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the year
Deferred tax assets				
Temporary difference				
Investments using the equity method	$ 584,731	$ 66,403	$ -	$ 651,134
Unrealized gains of subsidiaries	249,685	(58,753)	-	190,932
Devaluation and obsolescence losses of inventories	118,511	26,963	-	145,474
Exchange differences from foreign operations	34,559	-	1,346	35,905
Payables for leave	10,038	1,174	-	11,212
Allowance for losses	996	453	-	1,449
Others	69,149	23,800	-	92,949
	$ 1,067,669	$ 60,040	$ 1,346	$ 1,129,055
Deferred tax liabilities				
Temporary difference				
Unrealized exchange gain	$ 62,479	($ 52,194)	$ -	$ 10,285
Defined benefit plan	3,988	88	456	4,532
Others	3,103	(2,104)	-	999
	$ 69,570	($ 54,210)	$ 456	$ 15,816

2024	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the year
Deferred tax assets				
Temporary difference				
Investments using the equity method	$ 541,367	$ 43,364	$ -	$ 584,731
Unrealized gains of subsidiaries	193,073	56,612	-	249,685
Devaluation and obsolescence losses of inventories	96,306	22,205	-	118,511
Exchange differences from foreign operations	35,025	-	(466)	34,559
Payables for leave	10,159	(121)	-	10,038
Allowance for losses	1,922	(926)	-	996
Others	62,184	6,965	-	69,149
	$ 940,036	$ 128,099	($ 466)	$ 1,067,669
Deferred tax liabilities				
Temporary difference				
Unrealized exchange gain	$ 21,335	$ 41,144	$ -	$ 62,479
Defined benefit plan	2,826	30	1,132	3,988
Others	11,629	(8,526)	-	3,103
	$ 35,790	$ 32,648	$ 1,132	$ 69,570

(III) Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2025	December 31, 2024
Offset by loss		
Expire in 2025	$ -	$ 142,524
Expire in 2026	419,380	427,746
Expire in 2027	808,611	907,414
Expire in 2028	502,446	512,469
Expire in 2029	811,400	827,741
Expire in 2030	232,034	75,549
	$ 2,773,871	$ 2,893,443
Deductible temporary difference		
Inventory devaluation losses	$ 285,154	$ 336,916
Allowance for losses	81,511	83,623
Others	9,144	59,967
	$ 375,809	$ 480,506

(IV) Income tax assessed

The Company's and Hung Chia Pao company's income tax declaration as of 2023 have been assessed by the tax authorities.

XXIV. Earnings per share

Earnings and weighted average number of common shares used in the computation of earnings per share are as follows:

	2025	2024
Net income attributable to owners of parent company		
Earnings used in the computation of basic and diluted earnings per share	$ 2,316,512	$ 3,147,645
Number of shares (in thousands)		
Weighted average number of common shares used in the computation of basic earnings per share	165,816	165,816
Effect of potentially dilutive common shares:		
Employee remuneration	2,170	1,973
Weighted average number of common shares used in the computation of diluted earnings per share	167,986	167,789

If the Group offered to settle the remuneration paid to employees in cash or shares, the Group assumed that the entire amount of the remuneration would be settled in shares and the resulting potential shares were 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.

XXV. Capital risk management

The Group's capital management practices ensure that the Group's businesses are able to maximize shareholder returns by optimizing debt and equity balances on a going concern basis. There is no material change in the Group's overall strategy.

The capital structure of the Company consists of net debt (borrowings less cash and cash equivalents), equity attributable to owners of the Company (common share capital, capital surplus, retained earnings, and other equity items).

The Group's key management reviews the Company's capital structure annually, which includes consideration of the cost of various types of capital and the associated risks. The Group balances its overall capital structure by paying dividends or repaying its old debts as recommended by key management.

XXVI. Financial instruments

(I) Information on fair value - financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, or their fair values cannot be reliably measured.

(II) Type of financial instrument

	December 31, 2025	December 31, 2024
Financial asset		
Financial assets at amortized cost (Note 1)	$ 8,079,645	$ 8,331,971
Financial assets at fair value through other comprehensive income - equity instruments	-	15,314
Financial liability		
Measured at amortized cost (Note 2)	8,981,083	10,294,304

Note 1: The balance includes cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits and other financial assets measured at amortized cost.

Note 2: The balance consists of short-term bank borrowings, notes payable, accounts payable, other payables, other current liabilities, long-term bank borrowings (including those due within one year) and guarantee deposits, and other financial liabilities measured at amortized cost.

(III) Financial risk management objectives and policies

The Group's main financial instruments include accounts receivable, accounts payable, bank borrowings, and lease liabilities. The Group’s finance department provides services to its business units, co-ordinates access to domestic and international capital markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The main financial risks to which the Group is exposed as a result of the Group's operating activities are the risk of changes in foreign currency exchange rates and the risk of changes in interest rates.

There were no changes to the Group’s exposure to market risks or the manner in which these risks are managed and measured.

(1) Exchange rate risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Most of the Group's sales are not denominated in the functional currency of the group entity that engages the transaction. Under the Group's exchange rate risk management policy, the Group may use derivative financial instruments to manage risks.

The carrying amounts of the Company’ s foreign currency denominated monetary assets and monetary liabilities (Includes non-functional currency denominated monetary items that have been written off in the consolidated financial statements) in Note 30.

Sensitivity analysis

The Group is mainly affected by fluctuations in the exchange rates of the US dollar and the Euro. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 0.25% change in foreign currency rates to see the change in net income before income taxes The interest rate of 0.25% represents management's assessment of the reasonably possible range of changes in exchange rate.

	Effect of exchange rate fluctuations on profit and loss	
Currency type	2025	2024
USD	$ 2,651	$ 3,768
EUR	3,033	3,802

This amount mainly comes from the value of the company's balance sheet that is still outstanding and has not been hedged in US dollars as well as euro-denominated cash, receivables and payables.

The consolidated company's exchange rate sensitivity decreased this year, mainly due to a reduction in bank deposits and receivables denominated in US dollars and euros.

(2) Interest rate risk

The Company's interest rate risk arises primarily from deposits and bank borrowings with fixed and floating interest rates. The carrying amount of the financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial asset	$ 432,588	$ 141,622
Financial liability	719,551	889,567
Cash flow interest rate risk		
Financial asset	3,380,346	3,905,898
Financial liability	4,337,226	5,322,469

Sensitivity analysis

For financial assets and liabilities with floating interest rates, if the interest rate changes by 0.25%, with all other variables held constant, the Group's net income before income taxes will change by $2,392thousand and $3,541 thousand in 2025 and 2024, respectively. The interest rate of 0.25% represents management's assessment of the reasonably possible range of changes in interest rate risk.

The Group's sensitivity to interest rates increased during the year, mainly due to the decrease in bank accounting with fluctuating interest rates.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk of financial loss due to non-performance by counterparties and financial guarantees provided by the Group mainly arises from the carrying amount of financial assets recognized in the consolidated balance sheet.

3. Liquidity risk

The Group manages and maintains sufficient positions of cash and cash equivalents to cover operations and mitigate the impact of fluctuating cash flows. The management of the Group supervises the utilization of the bank financing facilities and ensures compliance with the terms of the loan contracts.

Bank borrowings are an important source of liquidity for the Group. As of December 31, 2025 and 2024, the Group's undrawn banking facilities were NT$10,917,425 thousand and NT$9,626,765 thousand, respectively.

The following table details the Group’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities from the earliest date on which the Group can be required to pay.

Non-derivative financial liabilities	Less than 1 year	1–3 years	3–5 years	Over 5 years
December 31, 2025				
Non-interest bearing liabilities	$ 4,134,006	$ -	$ 72,660	$ -
lease liabilities	111,103	127,882	70,286	-
Floating interest rate instruments	4,337,226	-	-	-
Fixed interest rate instruments	437,191	-	-	-
	$ 9,019,526	$ 127,882	$ 142,946	$ -
December 31, 2024				
Non-interest bearing liabilities	$ 4,400,857	$ -	$ 76,870	$ -
lease liabilities	134,536	177,144	96,445	34,457
Floating interest rate instruments	668,694	4,635,775	18,000	-
Fixed interest rate instruments	494,108	-	-	-
	$ 5,698,195	$ 4,812,919	$ 191,315	$ 34,457

Further information on the maturity analysis of the above lease liabilities above is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years
December 31, 2025						
lease liabilities	$111,103	$198,168	$ -	$ -	$ -	$ -
December 31, 2024						
lease liabilities	$134,536	$273,589	$ 20,340	$ 4,152	$ 4,152	$ 5,813

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

(IV) Transfers of financial assets

Information about the Group's outstanding receivables sold at the end of the year is as follows:

Counterparty	Sales amount	Amount of credit available	Amount of credit used	Annual interest rate of prepaid amount (%)
December 31, 2025				
Bank of America	$ 15,697	$ -	$ 15,368	5.48-5.63
December 31, 2024				
Bank of America	$ 13,823	$ -	$ 13,571	6.11-6.36

Under the agreement of the sale contract, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Group, while losses arising from credit risk are borne by banks.

XXVII. Transactions with related parties

All transactions, account balances, revenues and expenses between the Company and its subsidiaries, which are related parties of the Company, are written off upon consolidation and are therefore not disclosed in this note. Transactions between the Group and other related parties, except as disclosed in other notes, are as follows:

(I) Names of related parties and their relationships

Related party name	Relationship with the Group
Key management personnel	Key management
Relatives within the second degree of kinship of the key management	Relative within the second degree of kinship of the key management
Depo Education Foundation	Foundation of which a relative of second kinship of the key management serves as the director or chairperson
Bally Development, LLC（Bally）	Company in which relatives of second degree of kinship of key management serves as directors
Civic Development, LLC（Civic）	Company in which relatives of second degree of kinship of key management serves as directors
Chief Development, LLC（Chief）	Company in which relatives of second degree of kinship of key management serves as directors

(II) Operating expense - donation

Category/name of related party	2025	2024
Foundation of which a relative of second kinship of the key management serves as the director or chairperson		
Depo Education Foundation	$ 12,000	$ 12,000

(III) Refundable deposits

Category/name of related party	December 31, 2025	December 31, 2024
Company in which relatives of second degree of kinship of key management serves as directors		
Bally	$ 2,166	$ 2,260
Chief	2,016	2,103
Others	1,121	1,170
	$ 5,303	$ 5,533

(IV) Other payables

Category/name of related party	December 31, 2025	December 31, 2024
Key management personnel		
Others	$ 642	$ 1,434
Relative within the second degree of kinship of the key management		
Others	25	483
	$ 667	$ 1,917

(V) Lease agreement

Category/name of related party	December 31, 2025	December 31, 2024
Acquisition of Right-of-use assets		
Relative within the second degree of kinship of the key management		
Hsu ○ ○	$ 13,124	$ -
Others	15,542	-
Relative within of the key management		
Hsu ○ ○	12,888	-
	$ 41,554	$ -
lease liabilities		
Company in which relatives of second degree of kinship of key management serves as directors		
Chief	$ 167,552	$ 205,615
Civic	54,527	89,392
Bally	26,659	80,855
Relative within the second degree of kinship of the key management		
Others	23,119	19,065
Relative of the key management		
Others	10,395	-
	$ 282,252	$ 394,927

Category/name of related party	December 31, 2025	December 31, 2024
Lease liabilities - current	$ 99,898	$ 117,846
Lease liabilities - non-current	182,354	277,081
	$ 282,252	$ 394,927

Category/name of related party	2025	2024
Interest expense		
Company in which relatives of second degree of kinship of key management serves as directors		
Chief	$ 11,308	$ 13,417
Bally	2,495	4,873
Others	1,372	2,017
Relative within the second degree of kinship of the key management		
Others	430	355
Relative of the key management		
Others	$ 193	$ -
	$ 15,798	$ 20,662
Operating expense - rent expense		
Company in which relatives of second degree of kinship of key management serves as directors		
Chief	$ 21,381	$ 18,304
Others	10,866	10,882
	$ 32,247	$ 29,186

(VI) Remuneration to key management

	2025	2024
Short-term employee benefits	$ 115,316	$ 118,273

The remuneration to directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXVIII. Assets pledged and mortgaged

The following assets have been provided to financial institutions, the customs department and the schools that provide cooperative education as collateral or performance bonds for bankers' acceptances, loans and import duties:

	December 31, 2025	December 31, 2024
Financial assets at amortized cost-current (restricted bank deposits)	$ 160,049	$ 121,062
Property, plant and equipment	158,305	170,983
Right-of-use assets (right to use land)	39,542	41,320
	$ 357,896	$ 333,365

XXIX. Significant contingent liabilities and unrecognized contractual commitments

Except for those already mentioned in other notes, the Group's significant commitments and contingencies as of the balance sheet date are as follows:

Unrecognized contractual commitments

	December 31, 2025	December 31, 2024
Proceeds of property, plant and equipment	$ 1,426,838	$ 1,317,782

XXX. Assets and liabilities denominated in foreign currencies with significant influence

The following information is an aggregation of foreign currencies other than the functional currencies of the entities in the Group and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. Assets and liabilities denominated in foreign currencies with significant influence are as follows:

	December 31, 2025		
Assets denominated in foreign currencies	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 112,707	31.430 (USD: NTD)	$ 3,542,392
USD	489	7.0288(USD: CNY)	15,384
EUR	33,181	36.900 (EUR: NTD)	1,224,363
Foreign currency liabilities			
Monetary items			
USD	2,462	31.430 (USD: NTD)	77,396
USD	77,000	7.0288 (USD: CNY)	2,420,110
EUR	305	36.900 (EUR: NTD)	11,259

	December 31, 2024		
Assets denominated in foreign currencies	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 141,781	32.785 (USD: NTD)	$ 4,648,300
USD	13,993	7.1884 (USD: CNY)	458,770
EUR	44,817	34.140 (EUR: NTD)	1,530,047
Foreign currency liabilities			
Monetary items			
USD	1,995	32.785 (USD: NTD)	65,420
USD	107,808	7.1884 (USD: CNY)	3,534,501
EUR	267	34.140 (EUR: NTD)	9,129

The combined company's realized and unrealized foreign currency exchange benefits from January 1 to December 31 in 2025 and 2024 were loss 146,545 thousand and benefit 361,225 thousand. Due to the wide variety of foreign currency transactions and functional currencies of the group entities, it is impossible to disclose the exchange gains and losses according to each significant foreign currency.

XXXI. Note disclosures

(I) Information about significant transactions

1. Loaning of funds to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): None.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the share capital: Table 3.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the share capital: Table 4.
6. Other: Intercompany relationships and significant intercompany transactions: Table 5.

(II) Information on invested businesses: Table 6.

(III) Information on investment in Mainland China

1. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 7.
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports:
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 3 and 5.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Table 3 and 5.
   (3) The amount of property transactions and the amount of the resultant gains or losses: None.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.
   (5) The highest balance during the year, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds: Table 1.
   (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

XXXII. Departmental information

The information provided to the chief operating decision-maker for the allocation of resources and evaluation of department performance are focused on the operating regions. The operations of the group are mainly research, manufacturing and sales of various automotive lighting products. The production process and marketing strategies are consistent. However, due to the differences in culture, environment and economic characteristics, the management needs to be tailored to each region. The Group's reporting segments are as follows:

Operations in Taiwan - Production and sales in Taiwan.

Operations in the Americas - Sales in the Americas.

Operations in Asia - Production and sales in Asia.

Other operating regions - sales in areas other than the above.

(I) Segment revenue and operating results

Analysis by reportable segment of revenues and operating results of continuing operations are as follows:

	Segment revenue		segment profit or loss	
	2025	2024	2025	2024
Operations in Taiwan	$10,090,948	$10,210,966	$ 3,625,590	$ 4,005,698
Operations in the Americas	6,390,992	6,787,514	41,467	313,812
Operations in Asia	2,930,775	3,157,594	(398,188)	(403,697)
Total amount of continuing operations	$19,412,715	$20,156,074	3,268,869	3,915,813
Other income			192,449	265,667
Other benefits and losses			(304,408)	225,373
Financial costs			(269,192)	(373,865)
Interest income			30,852	37,899
Net income (continuing operations)			$ 2,918,570	$ 4,070,887

Segment profit refers to the profit earned by each segment, excluding other income, other gains and losses, interest income, financing costs and income tax expense. The measured amount is to provide the chief operating decision-makers the basis to allocate resources to segments and to evaluate performances.

(II) Information about main customers

Among the revenue amounts of 19,412,715 thousand yuan and 20,156,074 thousand yuan from the sales of automobile lamps, automobile department stores and parts in 2025 and 2024, respectively, 1,860,405 thousand yuan and 1,932,266 thousand yuan were from the largest customer of the merged company. In 2025 and 2024, there was no other revenue from a single customer that accounted for more than 10% of the consolidated company's revenue.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Loaning of funds to others
For the years ended December 31, 2025

Table 1

Unit: thousand of NTD or foreign currency

Serial No.	Lender of funds	Loan counterparty (Note 2)	Financial statement account	Related party	Maximum balance for the period	Balance at the end of the year	Amount actually drawn	Interest rate	Nature for financing	Transaction amounts	Reasons for short-term financing	Allowance for losses	Collaterals		Financing limits for each borrowing company (Notes 1)	Total financing amount limits (Note 1)	Remarks
													Title	Value			
0	DEPO Auto Parts Industrial Co., Ltd.	Maxzone	Receivables from related parties	Y	$ 830,125 (USD 25,000)	$ -	$ -	2%-7%	Short-term financing need	$ -	Operating turnover	$ -	—	$ -	$ 1,990,303	$ 7,961,211	
0	DEPO Auto Parts Industrial Co., Ltd.	Ningbo DEPO Traffic Facilities Co., Ltd.	Receivables from related parties	Y	664,100 (USD 20,000)	-	-	2%-7%	Short-term financing need	-	Operating turnover	-	—	-	1,990,303	7,961,211	
0	DEPO Auto Parts Industrial Co., Ltd.	DEPO Kunshan	Receivables from related parties	Y	664,100 (USD 20,000)	-	-	2%-7%	Short-term financing need	-	Operating turnover	-	—	-	1,990,303	7,961,211	
0	DEPO Auto Parts Industrial Co., Ltd.	DEPO Danyang	Receivables from related parties	Y	664,100 (USD 20,000)	-	-	2%-7%	Short-term financing need	-	Operating turnover	-	—	-	1,990,303	7,961,211	
1	DEPO Hefei	DEPO Danyang	Receivables from related parties	Y	23,129 (RMB 5,000)	22,358 (RMB 5,000)	22,358 (RMB 5,000)	3.869%	Short-term financing need	-	Operating turnover	-	—	-	32,001	32,001	

Note 1: The Company's lending limit to each borrower and the aggregate limit are 10% and 40% of the Company's net worth, respectively; the Subsidiary lending limit to each borrower and the aggregate limit are both 40% of the Company's net worth, respectively.

Note 2: The related amounts have been written off in the consolidated financial statements.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Endorsements/guarantees provided
For the years ended December 31, 2025

Table 2

Unit: thousand of NTD or foreign currency

Serial No.	Endorser/ guarantor	Endorsee/ guarantee		Limit on endorsement/ guarantee given on behalf of each party (Note)	Maximum amount endorsed/ guaranteed during the period	Outstanding endorsement/ guarantee at the end of the period	Amount actually drawn	Amount endorsed/ guaranteed by collateral	Ratio of accumulated endorsement/ guarantee to net equity in latest financial statements	Aggregate endorsement/ guarantee limit (Note)	Endorsement/ guarantee given by parent on behalf of subsidiaries	Endorsement/ guarantee given by subsidiaries on behalf of parent	Endorsement/ guarantee given on behalf of companies in Mainland China	Remarks
		Company name	Relations											
0	DEPO Auto Parts Industrial Co., Ltd.	Maxzone	For details, please refer to Note 12 of the consolidated financial statements.	$ 7,961,211	$ 1,089,539 (USD 32,813)	$ 1,031,297 (USD 32,813)	$ 770,035 (USD 24,500)	$ -	5%	$ 13,932,120	Y	—	—	
		DEPO Kunshan	For details, please refer to Note 12 of the consolidated financial statements.	7,961,211	1,089,539 (USD 32,813)	1,031,297 (USD 32,813)	550,025 (USD 17,500)	-	5%	13,932,120	Y	—	Y	
		DEPO Danyang	For details, please refer to Note 12 of the consolidated financial statements.	7,961,211	2,147,948 (USD 64,688)	2,033,128 (USD 64,688)	1,587,215 (USD 50,500)	-	10%	13,932,120	Y	—	Y	
		DEPO Traffic Facilities Nanchang	For details, please refer to Note 12 of the consolidated financial statements.	7,961,211	138,774 (RMB 30,000)	134,148 (RMB 30,000)	89,974 (RMB 20,121)	-	1%	13,932,120	Y	—	Y	
		Ningbo DEPO Traffic Facilities Co., Ltd.	For details, please refer to Note 12 of the consolidated financial statements.	7,961,211	653,723 (USD 19,688)	618,778 (USD 19,688)	282,870 (USD 9,000)	-	3%	13,932,120	Y	—	Y	

Note: The Company's endorsement/guarantee to a single overseas affiliate is limited to 40% of the current year's net worth, and the maximum limit is 70% of the current year's net worth. A subsidiary's endorsement/guarantee to a single affiliate is limited to 50% of the current year's net worth, and the maximum limit is 100% of the current year's net worth.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of The Share Capital
For the years ended December 31, 2025

Table3

Unit: NTD thousand

Buyer (seller)	Related party (Note 7)	Relations	Transaction details				Abnormal transaction and reasons thereof		Notes/accounts receivable (payable)		Remarks
			Purchases/ sales	Amount	% of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	% of total notes/ accounts receivable (payable)	
DEPO Auto Parts Industrial Co., Ltd.	Maxzone	(Note 1)	Sales	($ 4,903,743)	(32)	(Note 2)	(Note 3)	(Note 2)	$ 1,814,257	52	
Maxzone	DEPO Auto Parts Industrial Co., Ltd.	(Note 1)	Purchase	4,903,743	84	(Note 4)	(Note 5)	(Note 4)	(1,814,257)	(99)	
DEPO Danyang	DEPO Auto Parts Industrial Co., Ltd.	(Note 1)	Sales	(380,899)	(62)	T/T 90 days	(Note 6)	No material difference from general manufacturers	1,012	-	
DEPO Auto Parts Industrial Co., Ltd.	DEPO Danyang	(Note 1)	Purchase	380,899	8	T/T 90 days	(Note 6)	No material difference from general manufacturers	(1,012)	-	
DEPO Kunshan	Ningbo DEPO Traffic Facilities Co., Ltd.	(Note 1)	Sales	(308,778)	(22)	T/T 120 days	(Note 6)	No material difference from general manufacturers	20,517	4	
Ningbo DEPO Traffic Facilities Co., Ltd.	DEPO Kunshan	(Note 1)	Purchase	308,778	98	T/T 120 days	(Note 6)	No material difference from general manufacturers	(20,517)	(16)	
DEPO Auto Parts Industrial Co., Ltd.	Hung Chia Pao	(Note 1)	Sales	(133,961)	(1)	30-day settlement in the following month after shipment 30-day note	(Note 6)	No material difference from general manufacturers	32,756	1	
Hung Chia Pao	DEPO Auto Parts Industrial Co., Ltd.	(Note 1)	Purchase	133,961	99	30-day settlement in the following month after shipment 30-day note	(Note 6)	No material difference from general manufacturers	(32,756)	(95)	
DEPO Auto Parts Industrial Co., Ltd.	DEPO Danyang	(Note 1)	Sales	(130,247)	(1)	T/T 120 days	(Note 6)	No material difference from general manufacturers	41,132	1	
DEPO Danyang	DEPO Auto Parts Industrial Co., Ltd.	(Note 1)	Purchase	130,247	30	T/T 120 days	(Note 6)	No material difference from general manufacturers	(41,132)	(21)	

Note 1 Refer to Note 12 of the Consolidated Financial Statements.
Note 2: The credit period for the Company's sales to suppliers in other regions generally ranges from 60 to 90 days. For Maxzone's collection period, based on market operation considerations, the Company's principle is to collect payments on a T/T basis within 150 days after sale of goods. However, appropriate adjustments may be made depending on the financial condition of the related party.
Note 3: Maxzone is the Company's principal distributor in the U.S. The transaction prices for Maxzone are set with respect to local market conditions and may differ from those of the general customers due to regional price levels.
Note 4: The payment period for purchases from Maxzone is 150 days from the date of purchase on a T/T basis. However, the payment period may be subject to adjustment depending on the availability of funds.
Note 5: The purchase price is set with reference to the market price, and is not comparable to the general manufacturers.
Note 6: The purchase price is set based on the production cost, and is not comparable to the general manufacturers.
Note 7: Relevant amounts have been eliminated in the consolidated financial statements.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Receivables from related parties amounting to at least NT$100 million or 20% of the share capital
December 31, 2025

Note 4

Unit: NTD thousand

Company name (Note1)	Related party	Relations	Ending balance of receivables from related parties	Turnover (times)	Overdue of receivables, related parties		Subsequent recovery of receivables from related parties	Allowance for losses
					Amount	Actions taken		
DEPO Auto Parts Industrial Co., Ltd.	Maxzone	For details, please refer to Note 12 of the consolidated financial statements.	$ 1,814,257	2.38	$ -	—	$ -	$ -

Note : Relevant amounts have been written off in the consolidated statements.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Intercompany Relationships And Significant Intercompany Transactions
For the years ended December 31, 2025

Table 5

Unit: NTD thousand

Serial No.	Related party	Counterparty (Note 1)	Relationship with counterparties (Note 2)	Status of transactions			
				Accounts	Amount	Trading terms and conditions	Percentage to Consolidated Total Revenue or Total Assets (%)
0	DEPO Auto Parts Industrial Co., Ltd.	Maxzone	1	Operating revenue	$ 4,903,743	T/T 150 days	25
				Trade receivable	1,814,257	T/T 150 days	6
		DEPO Danyang	1	Purchase	380,899	T/T 90 days	2
				Operating revenue	130,247	T/T 120 days	1
		Hung Chia Pao	1	Operating revenue	133,961	30-day note in the following month after shipment	1
1	DEPO Kunshan	Ningbo DEPO	2	Operating revenue	308,778	T/T 120 days	2

Note 1: Relevant amounts have been written off in the consolidated statements.
Note 2: 1. Parent to subsidiary
2. Subsidiaries to subsidiaries.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Information on the investee companies, location...
For the years ended December 31, 2025

Table 5

Unit: thousand of NTD or foreign currency

Investor	Investee company	Location	Principal business	Initial investment		Held at the end of the year			Gains (losses) of investees in the current year	Investment income (losses) recognized in the current year	Remarks
				End of the year	End of the last year	Shares	Percentage %	Carrying amount			
DEPO Auto Parts Industrial Co., Ltd.	Depo Auto	British Virgin Islands	Investment	$ 4,555,279	$ 3,892,863	143,327,802	100	($ 49,124)	($ 302,300)	($ 303,198)	Subsidiary
	Depo Thailand	Thailand	Manufacturing and trading of automobile and scooter parts	371,520	371,520	3,950,000	100	384,852	(1,458)	(1,458)	Subsidiary
	Maxzone	California, USA	Trading of automobile and scooter parts	1,286,735	1,286,735	423,105	100	(953,312)	(42,428)	(45,028)	Subsidiary
	Depo Auto Lamp	Malaysia	Manufacturing and trading of automobile and scooter parts	-	-	3	100	10,177	14,170	14,174	Subsidiary
	Hung Chia Pao	Taiwan	Manufacturing and trading of automobile and scooter parts	50,000	50,000	5,000,000	100	182,818	23,685	23,685	Subsidiary
Depo Auto	Depo Industrial	British Virgin Islands	Investment	USD 89,720	USD 69,720	89,720,018	100	(USD 26,491)	(USD 9,987)	(Note2)	Sub-subsidiary
	Chen Yang	British Virgin Islands	Investment	USD 14,595	USD 14,595	11,800,000	100	USD 0.001	-	(Note2)	Sub-subsidiary
	Fuk Yuan	Samoan Islands	Investment	USD 12,000	USD 12,000	12,000,000	100	USD 10	USD 75	(Note2)	Sub-subsidiary
	Depo Holdings	British Virgin Islands	Investment	USD 10,000	USD 10,000	50,000	100	USD 6,867	(USD 92)	(Note2)	Sub-subsidiary
	Lupo Investment	British Virgin Islands	Investment	USD 17,117	USD 17,117	34,234	100	USD 16,851	USD 382	(Note2)	Sub-subsidiary
Hung Chia Pao	Cheng Yuan	Taiwan	Trading of automobile and scooter parts	5,000	-	500,000	100	5,480	480	(Note2)	Sub-subsidiary

Note 1 Relevant amounts have been eliminated in the consolidated financial statements.
Note 2: Not required to fill in.
Note 3: For information on investees in Mainland China, please refer to Table 7.

DEPO Auto Parts Industrial Co., Ltd. and Subsidiaries
Information on investment in Mainland China
For the years ended December 31, 2025

Table 7

Unit: thousand of NTD or foreign currency

Investee Chinese company	Principal business	Paid-in capital	Method of investment	Accumulated outward remittance for investment from Taiwan as of the beginning of the year	Investment outflows/inflow of the year		Accumulated outward remittance for investment from Taiwan as of the end of the year	Gains (losses) of investees in the current year	Direct or indirect shareholding of the Company (%)	Investment income recognized in the current year (Note 1)	Ending investment carrying amount	Investment gains received up to the current year	Remarks
					Outflow	Inflow							
DEPO Kunshan	Processing, production, domestic sales and export of various automobile and scooter lamps, light bulbs, and plastic automobile parts and other components of vehicles.	$ 1,062,408 (USD 32,710).	The investment in China is made through Depo Auto's investees, Depo Industrial.	$ 1,062,408 (USD 32,710)	$ -	$ -	$ 1,062,408 (USD 32,710)	($ 184,457)	100	($ 184,457)	($ 217,383) (USD 6,916)	$ -	
DEPO Danyang	Research and development, production, and sales of automobile and motorcycle and automobile lamp accessories, automobile cluster meters, and automobile electronic devices	1,807,679 (USD 56,750).	The investment in China is made through Depo Auto's investees, Depo Industrial.	1,075,734 (USD 34,595)	662,416 (USD 20,000)	-	1,738,150 (USD 54,595)	(133,282)	100	(133,282)	(625,505) (USD 19,902)	-	
DEPO Auto Lamp Hefei	Processing, production, domestic sales and export of various automobile and scooter lamps, light bulbs, and plastic automobile parts and other components of vehicles.	200,800 (USD 6,500).	The investment in China is made through Depo Auto's investees, Depo Industrial.	200,800 (USD 6,500)	-	-	200,800 (USD 6,500)	1,176	100	1,176	80,003 USD 2,545	-	
Ningbo DEPO Traffic Facilities Co., Ltd.	Processing, production, domestic sales and export of various automobile and scooter lamps, light bulbs, and plastic automobile parts and other components of vehicles.	682,533 (USD 22,000).	The investment in China is made through Depo Auto's investees, Depo Industrial.	682,533 (USD 22,000)	-	-	682,533 (USD 22,000)	4,915	100	4,915	(105,931) (USD 3,370)	-	
DEPO Traffic Facilities (Nanchang) (Note 5)	Processing, production, domestic sales and export of various kinds of car lights and signal lights and other parts and components of vehicles.	640,130 (USD 20,000).	The investment in China is made through Depo Auto's investees, Depo Holdings.	320,065 (USD 10,000)	-	-	320,065 (USD 10,000)	(5,708)	50	(2,854)	215,826 USD 6,867	-	
DEPO Auto Lamp manufacturing (Hefei) Co., Ltd.	Production and sale of various automotive lights and other related lighting products	833,330 (CNY 174,000)	The Investment in China is made through Depo Auto's investees, Lupo Investment.	541,665 (USD 17,117)	-	-	541,665 (USD 17,117)	19,645	65	12,769	529,620 USD 16,851	7,379	

Accumulated outward remittance for investments in Mainland China	Investment amounts authorized by the investment commission, MOEA (Note 2)	Upper limit on the amount of investments stipulated by the investment commission, MOEA (Note 3)
$ 4,545,621 (USD 142,922)	$ 4,573,363 (USD 143,805)	$ 11,941,817

Note 1: The calculation is based on the financial statements audited by the parent company's certified public accountants in Taiwan.
Note 2: The capital increase from mainland China investee Companies' surplus is not included.
Note 3: The quota is based on the review principles for investment or technology cooperation in Mainland China.
Note 4: The related amounts have been written off in the consolidated financial statements.
Note 5: There are significant non-controlling interests.