Stock Code: 7736

Hushan Autoparts Inc. and its subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2025 and 2024

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Statement of Affiliation for Consolidated Financial Statements

For the year 2025 (from January 1 to December 31), the companies required to be included in the preparation of the consolidated financial report of affiliates in accordance with the "Regulations Governing the Preparation of the Business Report, Consolidated Financial Statements, and Affiliation Report of Affiliated Enterprises" are the same as those required to be included in the preparation of the consolidated financial statements of parent and subsidiary companies under IFRS 10. The relevant disclosures required in the consolidated financial report of affiliates have already been included in the aforementioned consolidated financial statements of the parent and subsidiary companies. Accordingly, a separate consolidated financial report of affiliates has not been prepared.

Hereby declared.

Company Name: Hushan Autoparts Inc.

Chairperson: Chen, Ying-Chih

March 13, 2026

Independent Auditors' Report

To: Hushan Autoparts Inc.

Audit Opinion

The consolidated balance sheets of Hushan Autoparts Inc. and its subsidiaries (Hushan Group) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to consolidated financial statements (including the summary of significant accounting policies) for the years ended December 31, 2025 and 2024, have been audited by the CPAs.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hushan Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2025 and 2024, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and related interpretations and interpretation announcements endorsed and made effective by the Financial Supervisory Commission.

Basis for Audit Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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. The personnel of our firm who are subject to the independence requirements have remained independent of the Hushan Group in accordance with the Code of Professional Ethics for Certified Public Accountants and have fulfilled other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025 of the Hushan Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters relating to the consolidated financial statements of the Hushan Group for the year ended December 31, 2025, are described as follows:

Revenue Recognition from Export Sales

The HUSHAN Group is primarily engaged in the manufacturing and sales of various automotive parts, with sales revenue recognized upon the satisfaction of each performance obligation. In 2025, export revenue was significant and primarily concentrated among key customers. Accordingly, we identified the authenticity of export revenue recognition for the current year as a key audit matter.

For the accounting policies and relevant disclosures related to revenue recognition, please refer to Notes 4 and 19 to the consolidated financial statements.

The principal audit procedures performed by us are as follows:

1. Understanding and evaluating processes and control activities related to the sales and collection cycle that are relevant to audit risk, and performing tests on their effectiveness.
2. Selecting samples from detailed sales records and examining relevant documents such as contracts or orders, shipping documents, export declarations, and sales invoices, as well as verifying the accuracy of counterparties and amounts received.

Other Matters

Hushan Autoparts Inc. has also prepared its standalone financial statements for the years 2025 and 2024, for which we have issued unmodified audit opinions, provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations issued by the Interpretations Committee as endorsed and made effective by the Financial Supervisory Commission, and for maintaining necessary internal controls relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the Independent Auditors for the Consolidated Financial Statements

The objective of our audit is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report thereon. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that a material misstatement in the consolidated financial statements will always be detected. Misstatements may result from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We conducted our audit in accordance with auditing standards and exercised professional judgment and professional skepticism throughout the audit. We also performed the following procedures:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for the audit 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 controls.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hushan Group's internal control.
3. Evaluating the appropriateness of the accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Evaluate, based on the audit evidence obtained, the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Hushan 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 auditor's report to the related disclosures in the consolidated financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Hushan Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the related notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit engagement and for forming the audit opinion on the standalone financial statements of the Hushan Group.

Matters communicated with those charged with governance include the planned scope and timing of the audit, as well as significant audit findings (including any significant deficiencies in internal control identified during the audit).

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

We have determined the key audit matters for the audit of Hushan Group's consolidated financial statements for the year ended 2025 based on the matters communicated with those charged with governance. We determine the matters to be communicated in the audit report unless prohibited by law or regulation from disclosing specific matters, or in extremely rare circumstances where we determine that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

Hsin, Yu-Cheng, CPA	Weng, Ya-Ling, CPA
Approval Reference Number from the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1120349008	Approval Reference Number from the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1020025513

March 13, 2026

Hushan Autoparts Inc. and its subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NT$ in thousands

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets (Note 4)				
1100	Cash and cash equivalents (Note 6)	$ 1,293,988	30	$ 648,730	19
1136	Financial assets measured at amortized cost (Notes 8 and 28)	592,455	14	774,129	23
1150	Notes receivable (Notes 9 and 19)	5,039	-	6,532	-
1170	Accounts receivable (Notes 9 and 19)	210,989	5	249,554	7
130X	Inventory (Note 10)	551,627	13	469,630	14
1470	Other non-current assets (Note 21)	46,184	1	78,933	2
11XX	Total current assets	2,700,282	63	2,227,508	65
	Non-current assets (Note 4)				
1517	Financial assets measured at fair value through other comprehensive income (Note 7)	15,895	-	22,517	1
1600	Property, plant and equipment (Notes 12, 28 and 29)	1,497,654	35	1,052,029	30
1755	Right-of-use assets (Notes 13)	355	-	5,561	-
1760	Investment property (Notes 14 and 28)	-	-	94,974	3
1840	Deferred income tax assets (Note 21)	30,731	1	26,274	1
1915	Prepayments for equipment (Note 29)	62,751	1	12,418	-
1990	Other non-current assets	2,818	-	2,906	-
15XX	Total non-current assets	1,610,204	37	1,216,679	35
1XXX	Total assets	$ 4,310,486	100	$ 3,444,187	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term borrowings (Notes 15 and 28)	$ -	-	$ 78,000	2
2130	Contract liabilities (Notes 4 and 19)	20,842	1	32,700	1
2170	Notes and accounts payable	167,571	4	122,324	4
2200	Other payables (Notes 12 and 16)	118,918	3	153,406	5
2230	Income tax liabilities for the period (Notes 4 and 21)	96,285	2	112,967	3
2280	Lease liabilities (Notes 4, 13 and 27)	369	-	5,267	-
2320	Long-term borrowings due within one year (Notes 15, 27 and 28)	49,677	1	33,278	1
2399	Other current liabilities	5,077	-	2,386	-
21XX	Total current liabilities	458,739	11	540,328	16
	Non-current liabilities				
2540	Long-term borrowings (Notes 15, 27, and 28)	211,111	5	67,583	2
2570	Deferred income tax liabilities (Notes 4 and 21)	-	-	3,201	-
2580	Lease liabilities (Notes 4, 13 and 27)	-	-	369	-
2670	Other non-current liabilities (Note 17)	15,091	-	5,248	-
25XX	Total non-current liabilities	226,202	5	76,401	2
2XXX	Total liabilities	684,941	16	616,729	18
	Equity (Notes 4 and 18)				
3110	Common stock capital	760,000	17	687,500	20
3200	Capital surplus	761,854	18	87,500	3
	Retained earnings				
3310	Legal reserve	293,458	7	244,070	7
3350	Unappropriated earnings	1,862,623	43	1,804,078	52
3300	Total retained earnings	2,156,081	50	2,048,148	59
3400	Other equity	(7,002)	-	4,310	-
3500	Treasury shares	(45,388)	(1)	-	-
3XXX	Total equity	3,625,545	84	2,827,458	82
	Total liabilities and equity	$ 4,310,486	100	$ 3,444,187	100

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

Chairperson: Chen, Ying-Chih Manager: Chen, Ying-Chih Accounting Manager: Su, Chia-Hui

Hushan Autoparts Inc. and its subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: NT$ in thousands,
except for earnings per share which is expressed in NT dollars

Code		2025 Amount	2025 %	2024 Amount	2024 %
4110	Net operating revenue (Notes 4, 19 and 33)	$ 1,664,046	100	$ 1,359,638	100
5000	Operating costs (Notes 10 and 20)	1,159,928	69	825,414	61
5900	Operating gross profit	504,118	31	534,224	39
	Operating expenses (Note 20)				
6100	Selling expenses	51,355	3	40,930	3
6200	Administrative expenses	70,086	4	72,459	5
6300	R&D expenses	77,488	5	84,615	6
6000	Total operating expenses	198,929	12	198,004	14
6900	Operating income	305,189	19	336,220	25
	Non-operating revenues and expenses				
7100	Interest revenue (Note 4)	70,253	4	94,079	7
7110	Rent revenue	3,975	-	6,095	-
7130	Dividend revenue (Notes 4 and 7)	-	-	216	-
7170	Subsidies revenue (Notes 4 and 20)	13,763	1	18,683	1
7190	Other revenues (Note 27)	14,875	1	25,164	2
7210	Gains on disposal of property, plant and equipment	1,102	-	-	-
7215	Gains on disposal of investment property	102,080	6	-	-
7230	Net foreign exchange gains (losses) (Notes 4, 20 and 31)	(55,961)	(3)	143,289	11
7510	Interest expense (Notes 4 and 27)	(475)	-	(7,495)	-
7590	Other expenses (Notes 14 and 20)	(128)	-	(744)	-
7000	Total non-operating revenues and expenses	149,484	9	279,287	21

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Code		2025 Amount	2025 %	2024 Amount	2024 %
7900	Income before tax	$ 454,673	28	$ 615,507	46
7950	Income tax expense (Notes 4 and 21)	80,301	5	121,387	9
8200	Net income for the year	374,372	23	494,120	37
	Other comprehensive income (Note 4)				
	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 17)	(549)	-	(295)	-
8316	Unrealized gain (loss) on equity instrument investments measured at fair value through other comprehensive income	(6,622)	(1)	87	-
8349	Income tax related to titles not subject to reclassification (Note 21)	110	-	59	-
8310		(7,061)	(1)	(149)	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	(5,862)	-	4,513	-
8399	Income tax related to items subject to potential reclassification (Note 21)	1,172	-	(903)	-
8360		(4,690)	-	3,610	-
8300	Other comprehensive income, net of tax	(11,751)	(1)	3,461	-
8500	Total comprehensive income for the year	$ 362,621	22	$ 497,581	37
	Earnings per share (Note 22)				
9750	Basic	$ 5.04		$ 7.19	
9850	Diluted	$ 5.03		$ 7.18	

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

Chairperson: Chen, Ying-Chih Manager: Chen, Ying-Chih Accounting Manager: Su, Chia-Hui

Hushan Autoparts Inc. and its subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2025 and 2024

Unit: NT$ in thousands

Code		Share capital: Thousand shares	Share capital: Amount	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Unappropriated earnings	Retained earnings: Total	Other equity: Exchange differences on translation of foreign operations	Other equity: Unrealized gain (loss) on equity instrument investments measured at fair value through other comprehensive income	Treasury shares	Total equity
A1	Balance on January 1, 2024	68,750	$ 687,500	$ 87,500	$ 214,383	$ 1,484,256	$ 1,698,639	($ 217)	$ 830	$ -	$ 2,474,252
	2023 earnings distribution										
B1	Legal reserve	-	-	-	29,687	(29,687)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(144,375)	(144,375)	-	-	-	(144,375)
D1	2024 net income	-	-	-	-	494,120	494,120	-	-	-	494,120
D3	Other comprehensive income (loss) for 2024	-	-	-	-	(236)	(236)	3,610	87	-	3,461
D5	2024 total comprehensive income	-	-	-	-	493,884	493,884	3,610	87	-	497,581
Z1	Balance on December 31, 2024	68,750	687,500	87,500	244,070	1,804,078	2,048,148	3,393	917	-	2,827,458
	2024 earnings distribution										
B1	Legal reserve	-	-	-	49,388	(49,388)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(266,000)	(266,000)	-	-	-	(266,000)
D1	2025 net income	-	-	-	-	374,372	374,372	-	-	-	374,372
D3	Other comprehensive income (loss) for 2025	-	-	-	-	(439)	(439)	(4,690)	(6,622)	-	(11,751)
D5	2025 total comprehensive income	-	-	-	-	373,933	373,933	(4,690)	(6,622)	-	362,621
E1	Cash capital increase	7,250	72,500	673,907	-	-	-	-	-	-	746,407
L1	Treasury share repurchases	-	-	-	-	-	-	-	-	(45,388)	(45,388)
N1	Share-based payment transactions	-	-	447	-	-	-	-	-	-	447
Z1	Balance on December 31, 2025	76,000	$ 760,000	$ 761,854	$ 293,458	$ 1,862,623	$ 2,156,081	($ 1,297)	($ 5,705)	($ 45,388)	$ 3,625,545

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

Chairperson: Chen, Ying-Chih

Manager: Chen, Ying-Chih

Accounting Manager: Su, Chia-Hui

Hushan Autoparts Inc. and its subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NT$ in thousands

Code		2025	2024
	Net cash flows from operating activities		
A10000	Income before tax	$ 454,673	$ 615,507
A20010	Income and expense items:		
A20100	Depreciation expense	104,126	65,987
A20200	Amortization expense	1,024	404
A20300	Expected credit loss (reversal gain)	617	(724)
A20900	Interest expense	475	7,495
A21200	Interest revenue	(70,253)	(94,079)
A21300	Dividend revenue	-	(216)
A21900	Share-based payment compensation cost	447	-
A22900	Gain from lease modification	-	(46)
A23700	Impairment loss on non-financial assets	3,982	11,962
A22500	Gains on disposal of property, plant and equipment	(1,102)	-
A22700	Gains on disposal of investment property	(102,080)	-
A24100	Unrealized net foreign exchange loss (gain)	22,718	(21,299)
A29900	Reversal of deferred income	(14)	(179)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	1,493	10,118
A31150	Accounts receivable	36,557	(77,532)
A31200	Inventory	(85,979)	(66,878)
A31240	Other current assets	37,591	(38,344)
A32125	Contract liabilities	(11,858)	16,751
A32150	Notes and accounts payable	45,131	(4,098)
A32180	Other payables	(7,815)	64,519
A32230	Other current liabilities	2,691	1,796
A32240	Net defined benefit liability	22	-
A33000	Net cash inflows from operating activities	432,446	491,144
A33500	Income tax paid	(103,347)	(218,538)
AAAA	Net cash inflows from operating activities	329,099	272,606
	Net cash inflows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(1,027,953)	(2,677,628)
B00060	Repayment of principal for financial assets measured at amortized cost	1,188,038	3,839,079

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Code		2025	2024
B02700	Purchase of property, plant and equipment	($ 562,177)	($ 256,401)
B02600	Proceeds from disposal of property, plant and equipment	2,516	-
B05500	Proceeds from disposal of investment property	196,926	-
B03700	Increase in other non-current assets	(449)	(757)
B07100	Increase in prepayments for equipment	(59,487)	(1,024)
B07500	Interest received	64,829	100,783
B07600	Dividends received	-	216
BBBB	Net cash inflows (outflows) from investing activities	(197,757)	1,004,268
	Net cash flows from financing activities		
C00100	Decrease in short-term borrowings	(78,000)	(615,000)
C01600	Proceeds from long-term borrowings	221,594	88,638
C01700	Repayment of long-term borrowings	(54,758)	(66,208)
C03000	Decrease in other non-current liabilities	(500)	(68)
C04020	Repayment of lease principal	(5,267)	(5,978)
C04500	Distribution of cash dividends	(266,000)	(144,375)
C04600	Cash capital increase	746,407	-
C04900	Cost of treasury share repurchases	(45,388)	-
C05600	Interest paid	(432)	(7,569)
CCCC	Net cash inflows (outflows) from financing activities	517,656	(750,560)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(3,740)	1,182
EEEE	Net increase in cash and cash equivalents for the year	645,258	527,496
E00100	Cash and cash equivalents at beginning of year	648,730	121,234
E00200	Cash and cash equivalents at end of year	$ 1,293,988	$ 648,730

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

Chairperson: Chen, Ying-Chih Manager: Chen, Ying-Chih Accounting Manager: Su, Chia-Hui

Hushan Autoparts Inc. and its subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Unless otherwise stated, amounts are expressed in thousands of New Taiwan dollars)

I. Company History

Hushan Autoparts Inc. (the "Company") was incorporated in January 1983 with the approval of the competent authority. The Company is primarily engaged in the manufacturing and sale of various automobile parts. The Company's shares have been listed and traded on the TWSE since March 18, 2025.

The accompanying consolidated financial statements are presented in New Taiwan Dollars, the functional currency of the Company.

II. Date and Procedures of Financial Statement Approval

The consolidated financial statements were approved by the Board of Directors on March 10, 2026.

III. Adoption of Newly Issued and Revised Standards and Interpretations

(I) The initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations issued by the Standing Interpretations Committee (SIC), as endorsed and made effective by the Financial Supervisory Commission (hereinafter referred to as the "FSC") (collectively referred to as the "IFRSs"), did not result in significant changes to the accounting policies of the consolidated entity.

(II) IFRSs endorsed by the FSC for application in 2026

Newly issued/amended/revised standards and interpretations	Effective date as announced by the IASB
Amendment to IFRS 9 and IFRS 7 "Amendment to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts Involving Reliance on Natural Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including 2020 and 2021 amendments)	January 1, 2023

Amendment to IFRS 9 and IFRS 7 "Amendment to Classification and Measurement of Financial Instruments"

(1) Amendment to application guidance on classification of financial assets

The amendment primarily modifies the classification requirements for financial assets, including:

A. if a financial asset contains a contingent feature that may change the timing or amount of contractual cash flows, and the nature of such contingent feature has no direct relationship to changes in basic lending risks and costs (e.g., whether the debtor achieves a specified reduction in carbon emissions), such financial asset's contractual cash flows still qualify as solely payments of principal and interest on the principal amount outstanding when both of the following conditions are met:

   - The contractual cash flows generated under all possible scenarios (including those before or after the occurrence of a contingency) represent solely payments of principal and interest on the outstanding principal amount; and
   - the contractual cash flows generated under all possible scenarios do not differ significantly from the cash flows of a financial instrument with identical contractual terms but without the contingent feature.

B. It is clarified that a financial asset with a non-recourse feature refers to a financial asset in which the entity's ultimate contractual right to receive cash flows is limited solely to the cash flows generated by specified assets.

C. It is clarified that a contractually linked instrument establishes payment priority among holders of financial assets by creating multiple tranches of securities through a waterfall payment structure, thereby concentrating credit risk and resulting in a disproportionate allocation of cash shortfalls from the underlying pool across the different tranches.

(2) Amendments to application guidance on derecognition of financial liabilities

The amendments primarily clarify that a financial liability shall be derecognized on the settlement date; however, when an entity settles a financial liability in cash using an electronic payment system, the entity may elect to derecognize the financial liability prior to the settlement date if the following conditions are met:

- The entity does not have the practical ability to withdraw, suspend, or cancel the payment instruction;
- The entity does not have the practical ability to access the cash that will be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is not significant.

The consolidated entity shall apply this amendment retrospectively without restating the comparative period, and shall recognize the effects of initial application as of the date of initial application. However, if an entity can restate comparative periods without the use of hindsight, it may elect to do so.

As of the date the consolidated financial statements were authorized for issuance, the consolidated entity has assessed that the amendments to other standards will not have a material impact on its financial position or financial performance.

(III) International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) but not yet endorsed and made effective by the Financial Supervisory Commission (FSC)

Newly issued/amended/revised standards and interpretations	Effective date announced by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	TBD
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including 2025 amendments)	January 1, 2027
Amendment to IAS 21 "Translation to a Highly Inflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise stated, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: The FSC announced on September 25, 2025 that enterprises in Taiwan are required to adopt IFRS 18 effective January 1, 2028, and may also elect early adoption after the FSC endorses IFRS 18.

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

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The key changes introduced by the new standard include:

1. The consolidated entity is required to assess whether it has specific principal business activities of investing in certain types of assets and providing financing to customers, and on that basis, classify income and expense line items in the statement of comprehensive income into the following categories: operating, investing, financing, income tax, and discontinued operations.
2. The income statement shall present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and total profit or loss.
3. Providing guidance to enhance aggregation and disaggregation requirements: The consolidated entity is required to identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and to classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be disaggregated in the primary financial statements and the notes. The consolidated entity shall label such items as “other” only when no more informative label can be identified.
4. Enhanced disclosure of management-defined performance measures: When the consolidated entity engages in public communication outside the financial statements, or communicates with users of the financial statements about management’s perspective on a particular aspect of the consolidated entity’s overall financial performance, it shall disclose related information in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation to subtotals or totals specified in IFRS standards, and the effects of income taxes and non-controlling interests on such reconciliations.

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

1. When preparing cash flows from operating activities using the indirect method, the consolidated entity shall use operating profit or loss as the starting point for reconciliation.
2. Interest and dividends received by the consolidated entity shall be classified as cash flows from investing activities, while interest and dividends paid shall be

classified as cash flows from financing activities. If the consolidated entity determines that it has specific primary operating activities, it must consider the nature of dividend income, interest income, and interest expense as presented in the statement of comprehensive income in order to determine the appropriate classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of the aforementioned cash flows may only be classified under a single activity in the statement of cash flows.

Beyond the impacts described above, as of the date of approval for issuance of these consolidated financial statements, the consolidated entity continues to assess the effects of the aforementioned standards and interpretations amendments on its financial position and financial performance; the related impacts will be disclosed upon completion of such assessment.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs as endorsed and made effective by the Financial Supervisory Commission (FSC).

(II) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurements are categorized into three levels based on the observability and significance of the inputs used in the valuation techniques:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(III) Criteria for Classifying Assets and Liabilities as Current or Non-current

Current assets include:

1. Assets held primarily for trading purposes;

2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for use in settling liabilities or for exchange beyond 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes.
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities not meeting the above definitions of current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to ensure consistency with the accounting policies of the consolidated entities. In preparing the consolidated financial statements, all intercompany transactions, balances, income, and expenses have been eliminated in full.

Details of subsidiaries, ownership percentages, and business activities are set forth in Note 11 and Table 1.

(V) Foreign Currency

When preparing their financial statements, entities record transactions denominated in currencies other than their functional currency (foreign currencies) by translating them into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign currency monetary items are translated at the closing exchange rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or from translating monetary items at period-end exchange rates are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the transactions and are not retranslated.

In preparing the consolidated financial statements, the assets and liabilities of the consolidated entity’s foreign operations (including subsidiaries whose functional currencies differ from that of the Company) are translated into New Taiwan dollars at the exchange rates prevailing at each balance sheet date. Income and expense items are translated using the average exchange rate for the year, and the resulting exchange differences are recognized in other comprehensive income.

If the consolidated entity disposes of its entire interest in a foreign operation, or disposes of a subsidiary that includes a foreign operation such that control is lost, or if the retained interest in the foreign operation after disposal qualifies as a financial asset and is accounted for under the accounting policy for financial instruments, then the cumulative exchange differences related to that foreign operation are reclassified to profit or loss.

If the partial disposal of a subsidiary that is a foreign operation does not result in a loss of control, the proportionate share of the cumulative exchange differences is reattributed to the non-controlling interests in that subsidiary and is not recognized in profit or loss. In all other cases of partial disposal of a foreign operation, the cumulative exchange differences are reclassified to profit or loss in proportion to the disposal.

(VI) Inventory

Inventories include raw materials, supplies, finished goods, and work in progress. Inventories are measured at the lower of cost and net realizable value. The comparison between cost and net realizable value is made on an item-by-item basis, except for inventories of the same category. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory costs are calculated using the weighted-average method.

(VII) Property, plant and equipment

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

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional service fees and loan costs that are qualified for capitalization.

Once the construction is completed and the asset is ready for its intended use, it is reclassified to the appropriate category of property, plant and equipment and depreciation begins.

Except for owned land, which is not depreciated, other property, plant and equipment are depreciated on a straight-line basis over their useful lives, and each significant component is depreciated separately. The consolidated entity reviews the estimated useful lives, residual values, and depreciation methods at least at each financial year-end and applies the effects of any changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Investment Property

Investment property refers to property held to earn rental income, for capital appreciation, or both. Investment property also includes land held for currently undetermined future use.

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

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Impairment of Property, Plant and Equipment, Right-of-use Assets, and Investment Property

At each balance sheet date, the consolidated entity assesses whether there is any indication that property, plant and equipment, right-of-use assets, or investment property may be impaired. If there is any indication of impairment, the recoverable amount of the asset shall be estimated. If the recoverable amount of an individual asset cannot be estimated, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

(X) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the consolidated entity becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

   Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

   (1) Measurement Categories

   The types of financial assets held by the consolidated entities include equity instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost.

   A. Financial assets measured at amortized cost

   Financial assets are classified as measured at amortized cost if they meet both of the following conditions:

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

   Financial assets measured at amortized cost (including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other receivables [presented under other current assets], and refundable deposits [presented under other non-current assets]) are subsequently measured at amortized cost using the effective interest method, less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two circumstances, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
b. For financial assets that are not credit-impaired on initial recognition but subsequently become credit-impaired, interest income shall be calculated by applying the effective interest rate to the amortized cost of the asset from the next reporting period after the asset becomes credit-impaired.

A credit-impaired financial asset refers to a financial asset for which the issuer or debtor is experiencing significant financial difficulty, default, or is highly likely to apply for bankruptcy or other financial restructuring.

Cash equivalents include time deposits with original maturities of three months or less from the date of acquisition that are highly liquid, readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value. These are held to meet short-term cash commitments.

B. Equity Instrument Investments Measured at Fair Value Through Other Comprehensive Income

At initial recognition, the consolidated entity may make an irrevocable election to designate investments in equity instruments that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination as measured at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the consolidated entity's right to receive the payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of Financial Assets

At each balance sheet date, the consolidated entity assesses impairment losses on financial assets measured at amortized cost based on expected credit losses.

For receivables, a loss allowance is recognized based on lifetime expected credit losses. For other financial assets, an assessment is first made to determine whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, a loss allowance is recognized based on 12-month expected credit losses. If there has been a significant increase, the loss allowance is recognized based on lifetime expected credit losses.

Expected credit losses are the weighted average credit losses determined by the risk of default as the weighting factor. The 12-month expected credit loss represents the portion of expected credit losses that result from default events possible within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.

For the purpose of internal credit risk management, and without taking into account any collateral held, the consolidated entity considers a financial asset to be in default under the following circumstances:

A. There is internal or external information indicating that the debtor is no longer capable of repaying the debt.

B. Past due beyond the contractual term, unless there is reasonable and verifiable information indicating that a delayed default criterion is more appropriate.

Impairment losses on all financial assets are recognized by reducing the carrying amount through an allowance account.

(3) Derecognition of Financial Assets

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

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity Instruments

Equity instruments issued by the consolidated entity are classified as equity based on the substance of the contractual arrangement and the definition of an equity instrument.

Equity instruments issued by the consolidated entity are recognized at the proceeds received, net of directly attributable transaction costs.

3. Financial Liabilities

(1) Subsequent measurement

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

(2) Derecognition of Financial Liabilities

When a financial liability is derecognized, the difference between its carrying amount and the consideration paid is recognized in profit or loss.

(XI) Revenue Recognition

After identifying performance obligations in a customer contract, the consolidated entity allocates the transaction price to each performance obligation and recognizes revenue when the respective performance obligation is satisfied.

For contracts in which the interval between the transfer of goods and the receipt of consideration is within one year, the transaction price is not adjusted for the effects of a significant financing component.

Sales revenue is derived from the sale of various automobile parts. As the customer obtains the right to set prices, the ability to use the goods, bears the primary responsibility for resale, and assumes the risk of obsolescence once the goods are delivered to the designated location or shipped, the consolidated entity recognizes revenue and accounts receivable at that point in time.

(XII) Leases

The consolidated entity assesses at the inception of a contract whether the contract is, or contains, a lease.

1. The consolidated entity as a lessor

   All leases are classified as operating leases.

   Lease payments under operating leases are recognized as income on a straight-line basis over the relevant lease period. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

   When a lease includes both land and building elements, the consolidated entity evaluates each element separately to determine whether it is classified as a finance lease or an operating lease, based on whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. Lease payments are allocated between the land and buildings elements based on the relative fair values of the leasehold rights at the inception of the lease. If the lease payments can be reliably allocated between these two elements, each element is accounted for in accordance with the applicable lease classification. If the lease payments cannot be reliably allocated between the two elements, the entire lease is classified as a finance lease unless both elements clearly meet the criteria for an operating lease, in which case the entire lease is classified as an operating lease.

2. The consolidated entity as a lessee

   Except for lease payments for low-value underlying assets and short-term leases to which recognition exemptions apply—where payments are recognized as expenses on a straight-line basis over the lease term—all other leases are recognized as right-of-use assets and lease liabilities at the commencement date.

   Right-of-use assets are initially measured at cost (which corresponds to the initial measurement of the lease liability), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are presented separately in the Company’s consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments. If the interest rate implicit in the lease is readily determinable, it is used to discount the lease payments. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the consolidated entity remeasures the lease liability with a corresponding adjustment to the right-of-use asset; however, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss.

(XIII) Government Grants

Government grants are recognized only when there is reasonable assurance that the consolidated entity will comply with the conditions attached to the grants and that the grants will be received.

If a government grant is intended to compensate for expenses or losses already incurred, or to provide the consolidated entity with immediate financial support without any related future costs, it is recognized in profit or loss in the period in which it becomes receivable.

For government loans received at below-market interest rates, the difference between the amount received and the fair value of the loan calculated using the prevailing market interest rate at the time of receipt is recognized as a government grant.

(XIV) Employee Benefits

1. Short-term Employee Benefits

   Liabilities for short-term employee benefits are measured at the undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment Benefits

   For defined contribution retirement plans, pension contributions are recognized as expenses in the period in which the employees provide services.

Defined benefit retirement plan costs (including service cost, net interest, and remeasurements) are actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred. Remeasurements (including actuarial gains and losses and the return on plan assets, excluding amounts included in net interest) are recognized in other comprehensive income when incurred and included in retained earnings. These amounts are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the shortfall (surplus) of contributions in the defined benefit retirement plan. The net defined benefit asset shall not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(XV) Share-based payment arrangements

Employee stock options granted to employees

Employee stock options are expensed on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number of awards expected to vest, with a corresponding adjustment to capital surplus — employee stock options. If the options vest immediately on the grant date, the entire expense is recognized on the grant date. For cash capital increases in which the Company reserves shares for employee subscription, the date on which the employee subscription intention letters are issued is treated as the grant date.

(XVI) Income Taxes

Income tax expense comprises current income tax and deferred income tax.

1. Current Income Tax

The consolidated entities calculate current income tax payable (or recoverable) based on taxable income (or loss) in accordance with the regulations of the respective jurisdictions in which they file income tax returns.

The additional income tax on unappropriated earnings, as required by the Income Tax Act in Taiwan, is recognized in the year when the shareholders' resolution regarding earnings distribution is approved.

Adjustments to income tax payable for prior years are recognized in the current year’s income tax expense.

2. Deferred Income Tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases used in calculating taxable income.

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

Deferred income tax liabilities are recognized for all taxable temporary differences related to investments in subsidiaries, except to the extent that the consolidated entity is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred income tax assets only to the extent that it is probable that sufficient taxable income will be available to realize the temporary differences and that the temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are also reviewed at each balance sheet date and are recognized to the extent that it becomes probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured using the tax rates expected to apply in the year when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company 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 income tax is recognized in profit or loss.

V. Major Sources of Accounting Judgments, Estimates, and Assumption Uncertainty

When applying accounting policies, for matters where relevant information is not readily available from other sources, management is required to make judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from estimates.

In developing significant accounting estimates, the consolidated entity has incorporated the potential impact of U.S. reciprocal tariff measures into the relevant significant estimates. Management will continue to monitor and reassess these estimates and underlying assumptions.

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash		
Cash on hand	$ 544	$ 215
Bank checks and demand deposits	152,535	81,554
	153,079	81,769
Cash equivalents		
Bank time deposits with original maturities of less than three months	1,140,909	566,961
	$ 1,293,988	$ 648,730

The annual interest rates for bank time deposits as of December 31, 2025 and 2024 were 3.92%–4.20% and 4.13%–4.91%, respectively.

VII. Financial assets measured at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Equity Instrument Investments Measured at Fair Value Through Other Comprehensive Income		
Domestic investments		
Unlisted stocks	$ 15,895	$ 22,517

The consolidated entity invested in the common stock of the above-mentioned companies for medium- to long-term strategic purposes and expects to generate returns through long-term investment. Management believes that recognizing short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment strategy. Therefore, the consolidated entity has elected to designate these investments as measured at fair value through other comprehensive income.

In 2024, the consolidated entity recognized dividend income of NT$216 thousand related to investments still held as of December 31, 2024.

VIII. Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Bank time deposits with original maturities of more than three months	$ 561,025	$ 434,804
Pledged time deposits (Note 28)	31,430	339,325
	$ 592,455	$ 774,129

Time deposits with original maturities of more than three months (including pledged time deposits) had annual interest rate ranges of 4.02% to 4.41% and 2.20% to 5.38% as of December 31, 2025 and 2024, respectively.

IX. Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 5,039	$ 6,532
Less: allowance for loss	-	-
	$ 5,039	$ 6,532
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 212,815	$ 250,763
Less: allowance for loss	(1,826)	(1,209)
	$ 210,989	$ 249,554

The consolidated entity recognizes a loss allowance for notes and accounts receivable based on lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix that takes into account the customers' historical default records, current financial conditions, and industry and economic outlook. The matrix also considers GDP forecasts and industry trends. Based on the consolidated entity's historical experience, there is no significant difference in loss patterns among different customer groups; therefore, the provision matrix does not further distinguish between customer categories and instead applies expected credit loss rates based solely on the number of days past due.

The consolidated entity measures the loss allowance for notes and accounts receivable as follows:

December 31, 2025

	Not past due	1 - 60 days	61 - 120 days	Over 121 days	Total
Expected credit loss rate	0%~0.01%	0.23%~2.94%	20.65%~36.64%	49.16%~100%	
Total carrying amount	$ 207,678	$ 7,929	$ 723	$ 1,524	$ 217,854
Allowance for loss (lifetime expected credit losses)	(20)	(25)	(257)	(1,524)	(1,826)
Amortized cost	$ 207,658	$ 7,904	$ 466	$ -	$ 216,028

December 31, 2024

	Not past due	1 - 60 days	61 - 120 days	Over 121 days	Total
Expected credit loss rate	0%~0.07%	0.06%~6.27%	16.55%~23.62%	27.11%~100%	
Total carrying amount	$ 234,452	$ 22,099	$ 76	$ 668	$ 257,295
Allowance for loss (lifetime expected credit losses)	(159)	(377)	(18)	(655)	(1,209)
Amortized cost	$ 234,293	$ 21,722	$ 58	$ 13	$ 256,086

The movements in the allowance for notes and accounts receivable are as follows:

	2025	2024
Beginning balance	$ 1,209	$ 1,933
Provisions (reversals) for the current year	617	(724)
Ending balance	$ 1,826	$ 1,209

X. Inventory

	December 31, 2025	December 31, 2024
Finished goods	$ 384,684	$ 330,390
Work in process	130,584	100,480
Raw materials	36,359	38,760
	$ 551,627	$ 469,630

The cost of goods sold related to inventories for 2025 and 2024 amounted to NT$1,159,928 thousand and NT$825,414 thousand, respectively. The cost of goods sold for 2025 and 2024 included inventory write-downs recognized from reducing inventory costs to net realizable value, as detailed below:

	2025	2024
Inventory write-down loss	$ 3,982	$ 11,962

XI. Subsidiaries

The reporting entities included in the preparation of these consolidated financial statements are as follows:

Name of investing company	Name of subsidiary	Nature of business	Percentage of ownership December 31, 2025	Percentage of ownership December 31, 2024	Description
Hushan Autoparts Inc.	Hushan Autoparts Inc.	Automotive parts research and development, certification, marketing, and after-sales service	100	100	Note 1
Hushan Autoparts Inc.	Hushan Autoparts (Vietnam) Company Limited	Manufacturing and trading of automotive parts	100	100	Note 2
Hushan Autoparts Inc.	Hushan Global Inc.	General investment business such as bank time deposits and interest-bearing bonds	100	-	Note 3

Note 1: The consolidated entity made an additional capital injection of USD 700 thousand into Hushan Autoparts Inc. on February 21, 2025.

Note 2: On August 12, 2025, the Board of Directors approved a resolution to liquidate Hushan Autoparts (Vietnam) Company Limited; as of December 31, 2025, the liquidation process had not yet been completed.

Note 3: On August 12, 2025, the Board of Directors approved a resolution to establish Hushan Global Inc., which completed its registration on September 19, 2025; as of December 31, 2025, no capital had yet been injected.

XII. Property, plant and equipment

	Land	Buildings	Machinery equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost							
Balance on January 1, 2025	$ 575,496	$ 396,149	$ 40,652	$ 20,545	$ 164,938	$ 194,399	$1,392,179
Additions	11,240	5,870	45,974	-	88,280	387,371	538,735
Disposals	-	(2,554)	-	(599)	(667)	-	(3,820)
Reclassifications	-	-	9,026	-	128	-	9,154
Net exchange differences	(1,610)	(488)	(5)	-	(9)	-	(2,112)
Balance on December 31, 2025	$ 585,126	$ 398,977	$ 95,647	$ 19,946	$ 252,670	$ 581,770	$1,934,136
Accumulated depreciation							
Balance on January 1, 2025		$ 185,354	$ 35,420	$ 13,500	$ 105,876	$ -	$ 340,150
Depreciation expense		18,730	10,139	2,850	67,073	-	98,792
Disposals		(1,140)	-	(599)	(667)	-	(2,406)
Net exchange differences		(48)	(3)	-	(3)	-	(54)
Balance on December 31, 2025		$ 202,896	$ 45,556	$ 15,751	$ 172,279	$ -	$ 436,482
Net amount on December 31, 2025	$ 585,126	$ 196,081	$ 50,091	$ 4,195	$ 80,391	$ 581,770	$1,497,654
Cost							
Balance on January 1, 2024	$ 573,025	$ 394,766	$ 37,596	$ 20,545	$ 125,745	$ 3,056	$1,154,733
Additions	-	287	3,009	-	65,577	191,632	260,505
Disposals	-	-	-	-	(29,966)	-	(29,966)
Reclassifications	-	289	40	-	3,568	(289)	3,608
Net exchange differences	2,471	807	7	-	14	-	3,299
Balance on December 31, 2024	$ 575,496	$ 396,149	$ 40,652	$ 20,545	$ 164,938	$ 194,399	$1,392,179

(continued)

(continued)

	Land	Buildings	Machinery equipment	Transportation equipment	Other equipment	Construction in progress	Total
Accumulated depreciation							
Balance on January 1, 2024		$ 164,110	$ 33,764	$ 10,649	$ 101,808	$ -	$ 310,331
Depreciation expense		21,183	1,653	2,851	34,031	-	59,718
Disposals		-	-	-	(29,966)	-	(29,966)
Net exchange differences		61	3	-	3	-	67
Balance on December 31, 2024		$ 185,354	$ 35,420	$ 13,500	$ 105,876	$ -	$ 340,150
Net amount on December 31, 2024	$ 575,496	$ 210,795	$ 5,232	$ 7,045	$ 59,062	$ 194,399	$1,052,029

The consolidated entity's property, plant and equipment are all held for own use.

Depreciation is provided on a straight-line basis over the following useful lives:

Buildings	
Main factory buildings	20 to 50 years
Other buildings and equipment	3 to 19 years
Machinery equipment	2 to 6 years
Transportation equipment	5 years
Other equipment	2 to 5 years

The acquisition cost of property, plant and equipment includes amounts payable for equipment (construction), which are recorded under other payables. The related reconciliation is as follows:

	2025	2024
Increase in property, plant and equipment	$ 538,735	$ 260,505
Decrease (increase) in payables for equipment purchases (presented under other payables)	(15,598)	(4,104)
Decrease in payables for construction costs (presented under other payables)	39,040	-
	$ 562,177	$ 256,401

For the amounts of property, plant and equipment pledged as collateral for borrowings, please refer to Note 28.

XIII. Lease arrangements

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Buildings	$ -	$ 4,353
Transportation equipment	355	1,208
	$ 355	$ 5,561

	2025	2024
Depreciation expense of right-of-use assets		
Buildings	$ 4,353	$ 5,138
Transportation equipment	853	852
	$ 5,206	$ 5,990

Aside from the depreciation expenses recognized above, the consolidated entity did not experience any material subleases or impairment of right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	$ 369	$ 5,267
Non-current	$ -	$ 369

The range of discount rates for lease liabilities is as follows:

	December 31, 2025	December 31, 2024
Buildings	-	1.33%
Transportation equipment	1.45%	1.45%

(III) Significant leasing activities and terms

The consolidated entity leases a building from a related party, YuanShan Auto Parts Inc., for use as a factory. The lease term is three years. At the end of the lease term, the consolidated entity does not have a preferential right to purchase the leased building. It is stipulated that the consolidated entity may not sublease or transfer all or any part of the leased asset without the lessor’s consent.

(IV) Other lease information

	2025	2024
Short-term lease expenses	$ 650	$ 58
Low-value asset lease expenses	$ 168	$ 181
Total cash outflows for leases	$ 6,106	$ 6,384

XIV. Investment Property

	Amount
Cost	
Balance on January 1, 2025	$ 97,554
Disposals	(97,554)
Balance on December 31, 2025	$ -
Accumulated depreciation	
Balance on January 1, 2025	$ 2,580
Disposals	(2,708)
Depreciation expense (presented under other expenses)	128
Balance on December 31, 2025	$ -
Net amount on December 31, 2025	$ -
Cost	
Balance on January 1 and December 31, 2024	$ 97,554
Accumulated depreciation	
Balance on January 1, 2024	$ 2,301
Depreciation expense (presented under other expenses)	279
Balance on December 31, 2024	$ 2,580
Net amount on December 31, 2024	$ 94,974

The total future lease payments to be received from investment property leased under operating leases are as follows:

	December 31, 2025	December 31, 2024
Year 1	$ -	$ 3,600
Year 2	-	3,300
	$ -	$ 6,900

The consolidated entity’s investment property is depreciated on a straight-line basis over a useful life of 21 years. For the amount of investment property pledged as collateral for borrowings, please refer to Note 28.

The fair value of the consolidated entity's investment property was NT$115,065 thousand as of December 31, 2024. The fair value of the investment property was not assessed by an independent appraiser, but was determined by the consolidated entity’s management with reference to market evidence of transaction prices for similar properties.

XV. Borrowings

(I) Short-term borrowings

	December 31, 2025	December 31, 2024
Bank-guaranteed borrowings	$ -	$ 78,000

The interest rate on bank secured borrowings as of December 31, 2024 was 1.58% to 1.73% per annum.

(II) Long-term borrowings

	December 31, 2025	December 31, 2024
Secured borrowings		
Bank-guaranteed borrowings	$ 260,788	$ 80,265
Unsecured borrowings		
Bank credit borrowings	-	20,596
	260,788	100,861
Less: current portion classified as due within one year	(49,677)	(33,278)
Long-term borrowings	$ 211,111	$ 67,583

The long-term borrowings bear interest payable monthly, with the principal repaid in equal monthly installments from May 15, 2023 through January 15, 2031. The interest rates as of December 31, 2025 and 2024 were 1.37% and 1.37% to 1.38% per annum, respectively.

XVI. Other payables

	December 31, 2025	December 31, 2024
Payables for equipment	$ 34,354	$ 19,119
Salaries and bonuses payable	33,426	40,136
Processing fees payable	19,457	22,164
Payables for construction	9,234	48,274
Others	22,447	23,713
	$ 118,918	$ 153,406

XVII. Post-employment benefit plans

(I) Defined contribution plans

The pension system applicable to the consolidated entity under the Labor Pension Act is a government-managed defined contribution plan. The consolidated entity contributes 6% of each employee’s monthly salary to the individual pension accounts managed by the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system implemented by the consolidated entity in accordance with the Labor Standards Act is a government-managed defined benefit plan. Pension payments are calculated based on the employee's years of service and the average salary for the six months prior to the approved retirement date. The Company contributes 2% of the total monthly salaries of its employees to the pension fund, which is deposited in a dedicated account with the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. If the estimated balance in the account is insufficient to cover the expected pension payments for employees eligible to retire in the following year, the Company is required to make a supplemental contribution for the shortfall before the end of March of the following year. This dedicated account is managed by the Bureau of Labor Funds of the Ministry of Labor, and the consolidated entity does not have the right to influence the investment management strategy.

The amounts recognized in the balance sheet under the defined benefit plans are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 898	$ 302
Fair value of plan assets	(32)	(7)
Net defined benefit liabilities (presented under other non-current liabilities)	$ 866	$ 295

The movements in the net defined benefit liability are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance on January 1, 2025	$ 302	($ 7)	$ 295
Service cost			
Current service cost	42	-	42
Interest expense	5	-	5
Recognized in profit or loss	47	-	47
Remeasurements			
Actuarial loss			
– Changes in financial assumptions	17	-	17
– Experience adjustments	532	-	532
Recognized in other comprehensive income	549	-	549
Employer contributions	-	(25)	(25)
Balance on December 31, 2025	$ 898	($ 32)	$ 866

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance on January 1, 2024	$ -	$ -	$ -
Service cost			
Current service cost	6	-	6
Interest expense	1	-	1
Recognized in profit or loss	7	-	7
Remeasurements			
Actuarial (gain) loss			
– Changes in financial assumptions	(9)	-	(9)
– Experience adjustments	304	-	304
Recognized in other comprehensive income	295	-	295
Employer contributions	-	(7)	(7)
Balance on December 31, 2024	$ 302	($ 7)	$ 295

The consolidated entity is exposed to the following risks under the pension system governed by the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds under the Ministry of Labor invests the labor retirement fund through both direct and delegated management in various instruments, including domestic and foreign equity securities, debt securities, and bank deposits. However, pursuant to the Labor Standards Act, the overall rate of return on the fund’s assets must not be lower than the interest rate on a two-year time deposit offered by local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds will increase the present value of defined benefit obligations. However, returns on the plan's debt investments will also increase, which may partially offset the impact on the net defined benefit liability.
3. Salary risk: The present value of defined benefit obligations is calculated based on the future salaries of plan members. Therefore, an increase in the salaries of plan members will increase the present value of defined benefit obligations.

The present value of the consolidated entity’s defined benefit obligations is actuarially determined by a qualified actuary. The key assumptions used as of the measurement date are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.63%	1.70%
Expected rate of salary increase	3.50%	3.50%

If reasonably possible changes occur in significant actuarial assumptions, with all other assumptions remaining unchanged, the resulting increase (decrease) in the present value of defined benefit obligations would be as follows:

	December 31, 2025	December 31, 2024
Discount rate		
0.25% increase	($ 61)	($ 23)
0.25% decrease	$ 67	$ 24
Expected rate of salary increase		
1% increase	$ 290	$ 108
1% decrease	($ 219)	($ 80)

As actuarial assumptions may be interrelated, it is unlikely that changes would occur in isolation. Therefore, the above sensitivity analysis may not reflect the actual change in the present value of defined benefit obligations.

	December 31, 2025	December 31, 2024
Expected contributions within one year	$ 30	$ 20
Average duration of defined benefit obligations	29.2 years	32.1 years

XVIII. Equity

(I) Share capital

	December 31, 2025	December 31, 2024
Authorized thousands of shares	80,000	80,000
Authorized share capital	$ 800,000	$ 800,000
Thousands of shares issued and fully paid	76,000	68,750
Issued share capital	$ 760,000	$ 687,500

On December 18, 2024, the Board of Directors resolved to issue 7,250 thousand new shares through capitalization of retained earnings, at a par value of NT$10 per share, bringing the paid-in share capital to NT$760,000 thousand upon completion of the capital increase. The aforementioned cash capital increase was approved and became effective upon filing with Taiwan Stock Exchange Corporation on January 8, 2025, with March 14, 2025 set as the record date for the capital increase. Cash proceeds of NT$746,407 thousand were collected in full, and the amendment to the company registration was completed on April 11, 2025.

The aforementioned new shares issued under the cash capital increase comprised shares offered through competitive auction and public subscription. The competitive auction shares were issued at a premium based on the weighted average winning bid price of NT$112.57 per share, while the public subscription shares were issued at a premium of NT$83.8 per share.

(II) Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset deficits, distribute cash dividends, or be capitalized (Note)		
Share premium	$ 761,407	$ 87,500
Not for any use		
Employee stock options	447	-
	$ 761,854	$ 87,500

Note: Such capital surplus may be used to offset deficits, and when the Company has no accumulated deficit, it may also be used to distribute cash dividends or be capitalized. However, capitalization is subject to an annual limit based on a certain percentage of the paid-in capital.

(III) Retained Earnings and Dividend Policy

According to the earnings distribution policy set forth in the Company’s Articles of Incorporation, if there is a surplus after the annual closing of accounts, the Company shall first pay taxes and offset accumulated losses, then appropriate 10% of the remaining amount as legal reserve. The balance, combined with undistributed retained earnings from prior years, shall be proposed by the Board of Directors as a distribution plan for shareholders’ dividends and bonuses, and submitted to the shareholders' meeting for resolution. The Company's articles of incorporation stipulate the policies for distributing employee remuneration and director remuneration; refer to Note 20(4), Employee Remuneration and Director Remuneration.

In addition, according to the Company’s Articles of Incorporation, the distribution of dividends to shareholders shall take into consideration the Company’s operating environment, stage of growth, future capital requirements, and long-term financial plans, while also meeting shareholders’ expectations for cash inflows. Of the distributable earnings allocated for dividends, the cash portion shall not be less than 10% of the total dividends.

Legal reserve shall be appropriated until the total amount reaches the Company's total paid-in capital. The legal reserve may be used to offset deficits. When there is no accumulated deficit, any portion of the legal reserve exceeding 25% of the paid-in capital may be distributed in cash in addition to being capitalized.

The Company appropriates and reverses special reserves in accordance with FSC Letter Jin-Guan-Zheng-Zi No. 1090150022 and the "Q&A on the Application of Special Reserve under IFRSs."

The Company held its general shareholders' meetings on June 27, 2025 and June 28, 2024, at which the earnings distribution proposals for 2024 and 2023 were approved, respectively, as follows:

	Earnings Distribution Plan		Earnings per share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 49,388	$ 29,687		
Cash dividends	266,000	144,375	$ 3.52	$ 2.1

On March 10, 2026, the Board of Directors proposed the following earnings distribution plan for 2025:

	Earnings Distribution Plan	Earnings per share (NT$)
Legal reserve	$ 373,933	
Special surplus reserve	7,002	
Cash dividends	287,185	$ 3.8

The earnings distribution proposal for 2025 is pending approval at the general shareholders' meeting scheduled to be held in June 2026.

(IV) Treasury shares

Reason for repurchase	Transfer of shares to employees
Number of shares in thousands as of January 1, 2025	-
Increase in the current period	425
Number of shares in thousands as of December 31, 2025	425

On April 10, 2025, the Board of Directors approved a share buyback program on the centralized securities exchange market, with a planned repurchase of 1,000 thousand shares. The program expired on June 10, 2025, during which a total of 425 thousand shares were repurchased. The program was not fully executed in order to protect the rights and interests of all shareholders while taking into account the market trading mechanism. The average repurchase price was NT$106.8 per share, and the shares were primarily intended for transfer to employees, with a total repurchase cost of NT$45,388 thousand.

Treasury shares held by the Company may not be pledged, and are not entitled to dividend distributions or voting rights, pursuant to the Securities and Exchange Act.

XIX. Revenues

	2025	2024
Revenue from customer contracts		
Revenue from sale of goods	$ 1,664,046	$ 1,359,638

For disaggregated revenue information, please refer to Note 33, Segment Information.

Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 9)	$ 5,039	$ 6,532	$ 16,650
Accounts receivable (Note 9)	$ 210,989	$ 249,554	$ 162,254
Contract liabilities	$ 20,842	$ 32,700	$ 15,949

XX. Net income

(I) Subsidies revenue

	2025	2024
Government subsidies revenue	$ 13,763	$ 18,683

Government subsidy income under the Program for Low-Carbon and Smart Upgrade Transformation and Frontier Technology R&D for the Manufacturing Sector.

(II) Depreciation and amortization

	2025	2024
Depreciation expense summarized by account category		
Property, plant and equipment	$ 98,792	$ 59,718
Right-of-use assets	5,206	5,990
Investment Property	128	279
	$ 104,126	$ 65,987
Depreciation expense summarized by function		
Operating costs	$ 82,342	$ 49,070
Operating expenses	21,656	16,638
Other expenses	128	279
	$ 104,126	$ 65,987
Amortization expense summarized by function		
Operating costs	$ 26	$ 79
Administrative expenses	298	167
Research and development expenses	700	158
	$ 1,024	$ 404

(III) Employee benefit expenses

	2025	2024
Short-term Employee Benefits	$ 174,614	$ 174,330
Post-employment Benefits		
Defined contribution plans	9,591	7,399
Defined benefit plan	47	7
Total employee benefit expenses	$ 184,252	$ 181,736

	2025	2024
summarized by function		
Operating costs	$ 124,920	$ 121,078
Operating expenses	59,332	60,658
	$ 184,252	$ 181,736

(IV) Employee remuneration and director remuneration

Pursuant to the Company's Articles of Incorporation, employee remuneration and director remuneration are accrued at no less than 1% and no more than 3%, respectively, of net profit before tax for the current year prior to deducting employee and director remuneration. Following the amendment to the Securities and Exchange Act in August 2024, the Company resolved at the 2025 general shareholders' meeting to amend its Articles of Incorporation to stipulate that no less than 20% of the employee remuneration accrued for the current year shall be allocated to junior-level employees. The employee remuneration (including junior-level employee remuneration) and director remuneration accrued for 2025 and 2024 were resolved by the Board of Directors in March 2026 and March 2025, respectively, as follows:

Accrual ratio

	2025	2024
Employee compensation	1.20%	1.15%
Directors’ remuneration	1.20%	1.15%

	2025	2024
Employee compensation	$ 5,589	$ 7,567
Directors’ remuneration	5,589	7,567

If the amounts change after the date of approval of the annual financial statements, such changes are accounted for as changes in accounting estimates and are adjusted in the subsequent year.

The actual amounts of employee remuneration and director remuneration distributed for 2024 and 2023 did not differ from the amounts recognized in the financial statements for 2024 and 2023.

For information regarding employee compensation and directors' remuneration as resolved by the Company's Board of Directors, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(V) Foreign exchange (losses) gains

	2025	2024
Total foreign exchange gains	$ 118,076	$ 283,117
Total foreign exchange losses	(174,037)	(139,828)
Net gains (losses)	($ 55,961)	$ 143,289

XXI. Income Taxes

(I) Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2025	2024
Current Income Tax		
Occurred in the current year	$ 77,955	$ 120,854
Additional tax on unappropriated earnings	13,864	6,141
Adjustments for prior years	(5,142)	(8,287)
	86,677	118,708
Deferred Income Tax		
Occurred in the current year	(6,264)	2,682
Adjustments for prior years	(112)	(3)
	(6,376)	2,679
Income tax expense recognized in profit or loss	$ 80,301	$ 121,387

The reconciliation between accounting profit and income tax expense is as follows:

	2025	2024
Income before tax	$ 454,673	$ 615,507
Income tax expense calculated based on pre-tax profit at the statutory tax rate	$ 90,935	$ 123,102
Non-deductible expenses for tax purposes	447	446
Tax-exempt income	(19,691)	(12)
Additional tax on unappropriated earnings	13,864	6,141
Adjustments for prior years	(5,254)	(8,290)
Income tax expense recognized in profit or loss	$ 80,301	$ 121,387

(II) Income tax recognized in other comprehensive income

Deferred Income Tax	December 31, 2025	December 31, 2024
Generated in the current year		
- Foreign operations translation	$ 1,172	($ 903)
- Remeasurement of defined benefit plans	110	59
	$ 1,282	($ 844)

(III) Current year income tax assets and liabilities

	December 31, 2025	December 31, 2024
Current year income tax assets		
Prepaid income tax (presented under other current assets)	$ -	$ 12
Income tax liabilities for the current year		
Income tax payable	$ 96,285	$ 112,967

(IV) Deferred income tax assets and liabilities

The movements in deferred income tax assets and liabilities are as follows:

2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Temporary differences				
Inventory	$ 26,165	$ 797	$ -	$ 26,962
Investments accounted for using the equity method	50	16	-	66
Grant income	-	779	-	779
Exchange differences on translation of foreign operations	-	-	324	324
Unrealized exchange losses	-	2,431	-	2,431
Defined benefit retirement plan	59	-	110	169
	$ 26,274	$ 4,023	$ 434	$ 30,731
Deferred income tax liabilities				
Temporary differences				
Unrealized exchange gains	$ 2,353	($ 2,353)	$ -	$ -
Exchange differences on translation of foreign operations	848	-	(848)	-
	$ 3,201	($ 2,353)	($ 848)	$ -

2024

Deferred income tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Inventory	$ 23,773	$ 2,392	$ -	$ 26,165
Investments accounted for using the equity method	349	(299)	-	50
Bad debt losses	22	(22)	-	-
Exchange differences on translation of foreign operations	55	-	(55)	-
Unrealized exchange losses	2,397	(2,397)	-	-
Defined benefit retirement plan	-	-	59	59
	$ 26,596	($ 326)	$ 4	$ 26,274

Deferred income tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized exchange gains	$ -	$ 2,353	$ -	$ 2,353
Exchange differences on translation of foreign operations	-	-	848	848
	$ -	$ 2,353	$ 848	$ 3,201

(V) Income Tax Assessment Status

The Company's corporate income tax filings through the fiscal year ended 2023 have been assessed and finalized by the tax authorities.

XXII. Earnings per share

Unit: NT$ per share

	2025	2024
Basic earnings per share	$ 5.04	$ 7.19
Diluted earnings per share	$ 5.03	$ 7.18

The earnings and weighted average number of thousands of ordinary shares used for the calculation of earnings per share are as follows:

Net income for the year

	2025	2024
Net income used for the calculation of basic and diluted earnings per share	$ 374,372	$ 494,120

Number of shares

	2025	2024
Weighted average number of thousands of ordinary shares used for the calculation of earnings per share	74,300	68,750
Effect of potentially dilutive ordinary shares:		
Employee compensation	72	75
Weighted average number of thousands of ordinary shares used for the calculation of diluted earnings per share	74,372	68,825

If the consolidated entity has the option to settle employee compensation in either shares or cash, the calculation of diluted earnings per share assumes that the employee compensation will be settled in shares. The potential ordinary shares are included in the weighted average number of shares outstanding for the purpose of calculating diluted earnings per share, if they have a dilutive effect. When calculating diluted earnings per share before the number of shares to be distributed as employee compensation is resolved in the following year, the dilutive effect of such potential ordinary shares is also taken into consideration.

XXIII. Share-based payment arrangements

Employee stock option plan for cash capital increase

The Board of Directors resolved on December 18, 2024 to issue 7,250 thousand shares through a cash capital increase, with 1,087 thousand shares reserved for employee subscription pursuant to the consolidated entity Act. Compensation cost recognized for the period from January 1 to December 31, 2025 amounted to NT$447 thousand.

For the cash capital increase employee stock subscriptions granted during the period from January 1 to December 31, 2025, the consolidated entity applied the Black-Scholes valuation model. The inputs used in the valuation model are as follows:

	December 2025
Stock price on the grant date	NT$ 82.85
Exercise price	NT$ 83.80
Expected volatility	34.28%
Duration	0.011 years
Expected dividend yield	0%
Risk-free interest rate	1.66%

XXIV. Cash Flow Information

Changes in liabilities arising from financing activities

2025

Financial Liabilities	January 1, 2025	Cash flows	Non-cash changes: Discount amortization / amortization under the effective interest method	Non-cash changes: Exchange rate and other changes	December 31, 2025
Short-term borrowings	$ 78,000	($ 78,000)	$ -	$ -	$ -
Long-term borrowings (including those due within one year)	100,861	166,836	2,879	(9,788)	260,788
	$ 178,861	$ 88,836	$ 2,879	($ 9,788)	$ 260,788

2024

Financial Liabilities	January 1, 2024	Cash flows	Non-cash changes: Discount amortization / amortization under the effective interest method	Non-cash changes: Exchange rate and other changes	December 31, 2024
Short-term borrowings	$ 693,000	($ 615,000)	$ -	$ -	$ 78,000
Long-term borrowings (including those due within one year)	82,251	22,430	618	(4,438)	100,861
	$ 775,251	($ 592,570)	$ 618	($ 4,438)	$ 178,861

XXV. Capital risk management

The consolidated entity engages in capital management to ensure its ability to continue as a going concern, while optimizing the balance of debt and equity to maximize shareholder returns. The Company's overall strategy has not undergone significant changes in the coming years.

XXVI. Financial Instruments

(I) Fair Value Information – Financial Instruments Not Measured at Fair Value

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

(II) Fair Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets measured at fair value through other comprehensive income				
Equity instrument investments				
Domestic unlisted stocks	$ -	$ -	$ 15,895	$ 15,895

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets measured at fair value through other comprehensive income				
Equity instrument investments				
Domestic unlisted stocks	$ -	$ -	$ 22,517	$ 22,517

There were no transfers between Level 1 and Level 2 fair value measurements during 2025 and 2024.

2. Reconciliation of financial instruments measured at fair value using Level 3 inputs

2025

Financial Assets	Financial assets measured at fair value through other comprehensive income Equity Instruments
Beginning balance	$ 22,517
Recognized in other comprehensive income	(6,622)
Ending balance	$ 15,895

2024

Financial Assets	Financial assets measured at fair value through other comprehensive income Equity Instruments
Beginning balance	$ 22,430
Recognized in other comprehensive income	87
Ending balance	$ 22,517

3. Valuation techniques and inputs for Level 3 fair value measurements

Domestic unlisted stocks are measured using the market approach, by referencing the trading prices of comparable listed companies engaged in similar or identical businesses in an active market. These prices are converted into valuation multiples and adjusted based on the financial condition of the investee to determine the fair value of the investment. The significant unobservable input is as follows. When the liquidity discount decreases, the fair value of such investments will increase.

	December 31, 2025	December 31, 2024
Liquidity discount	20.50%	20.50%

If the following input is changed to reflect reasonably possible alternative assumptions, while all other inputs remain unchanged, the resulting increase (decrease) in the fair value of the equity investment would be as follows:

	December 31, 2025	December 31, 2024
Liquidity discount		
1% increase	($ 200)	($ 283)
1% decrease	$ 200	$ 283

(III) Types of Financial Instruments

	December 31, 2025	December 31, 2024
Financial Assets		
Financial assets measured at amortized cost (Note 1)	$ 2,120,971	$ 1,691,090
Financial assets at fair value through other comprehensive income – equity instruments	15,895	22,517
Financial Liabilities		
Measured at amortized cost (Note 2)	547,277	455,091

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, accounts receivable, other receivables (presented under other current assets), and refundable deposits (presented under other non-current assets).

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion), and guarantee deposits received (presented under other non-current liabilities).

(IV) Objectives and Policies of Financial Risk Management

The consolidated entity's primary financial instruments include receivables, payables, and borrowings. Financial risks include market risk, credit risk, and liquidity risk.

1. Market Risk

The main financial risks arising from the consolidated entity's operating activities are foreign exchange rate risk, interest rate risk, and other price risks.

(1) Exchange Rate Risk

The consolidated entity is exposed to the risk of reductions in the value of its foreign currency-denominated assets and liabilities and to fluctuations in future cash flows due to exchange rate movements arising from its holdings of foreign currency assets and liabilities.

Sensitivity Analysis

The consolidated entity is primarily affected by fluctuations in the US dollar exchange rate.

The following table presents a sensitivity analysis of the impact on the consolidated entity's pre-tax profit when the New Taiwan dollar (NTD) appreciates or depreciates by 1% against the relevant foreign currencies. The 1% rate is the sensitivity ratio used internally by the consolidated entity when reporting foreign exchange risk to key management personnel and represents management's assessment of a reasonably possible change in foreign currency exchange rates. The sensitivity analysis includes outstanding foreign currency monetary items, and the year-end balances are adjusted for a 1% change in exchange rates. The table shows the amount by which pre-tax profit would increase (decrease) if the NTD appreciates by 1% against the relevant foreign currencies. If the NTD depreciates by 1%, the impact on pre-tax profit would be the same in amount but in the opposite direction.

	USD to NTD	
	2025	2024
Profit or loss	($ 18,941)	($ 15,652)

(2) Interest Rate Risk

The carrying amounts of the consolidated entity's financial assets exposed to interest rate risk as of the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
— Financial assets	$ 1,733,364	$ 1,341,090
— Lease liabilities	369	5,636
Cash flow interest rate risk		
— Financial assets	152,535	81,554
— Financial Liabilities	260,788	178,861

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments as of the balance sheet date. For floating rate assets and liabilities, the analysis assumes that the outstanding balances as of the balance sheet date remained outstanding throughout the reporting period. The consolidated entity uses a 1% increase or decrease in interest rates as the basis for reporting interest rate risk to key management personnel. This also represents management's assessment of a reasonably possible change in interest rates.

With respect to the consolidated entity's floating-rate financial asset positions, a 1% increase/decrease in interest rates, with all other variables held constant, would increase/decrease net profit before tax by NT$1,525 thousand and NT$816 thousand for 2025 and 2024, respectively.

With respect to the consolidated entity's floating-rate financial asset positions, a 1% increase/decrease in interest rates, with all other variables held constant, would decrease/increase net profit before tax by NT$2,608 thousand and NT$1,789 thousand for 2025 and 2024, respectively.

The consolidated entity's sensitivity to interest rate risk decreased in the current year, primarily due to a reduction in floating-rate debt instruments.

(3) Other Price Risk

The consolidated entity is also exposed to equity price risk due to its holdings of unlisted equity securities.

Sensitivity Analysis

The following sensitivity analysis is based on the equity price exposure as of the balance sheet date.

If equity prices decline by 5%, pre-tax other comprehensive income for 2025 and 2024 would decrease by NT$795 thousand and NT$1,126 thousand, respectively, due to the decline in fair value of financial assets measured at fair value through other comprehensive profit or loss.

2. Credit Risk

The consolidated entity is exposed to potential impacts from counterparties or other parties failing to fulfill their contractual obligations. These impacts include the concentration of credit risk, the composition of counterparties, contract amounts, and other receivables arising from the consolidated entity's financial instruments. As counterparties are reputable banks and corporate entities with good credit standings, no significant credit risk is expected.

3. Liquidity Risk

The consolidated entity manages and maintains adequate levels of cash to support group operations and mitigate the effects of cash flow fluctuations. The consolidated entity's management monitors the use of bank credit facilities and ensures compliance with the terms of borrowing agreements.

Bank borrowings are a significant source of liquidity for the consolidated entity. As of December 31, 2025 and 2024, the Company's unused bank credit facilities amounted to NT$1,109,330 thousand and NT$1,982,926 thousand, respectively.

The table below provides a detailed analysis of the remaining contractual maturities of the consolidated entity's non-derivative financial liabilities with fixed interest rates for which repayment terms have been agreed. The analysis is based on the earliest date on which the consolidated entity may be required to repay, and is prepared based on undiscounted cash flows, including both principal and interest payments.

December 31, 2025

	Due on demand or within one month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years
Non-derivative financial liabilities					
Floating rate instruments	$ 4,763	$ 9,494	$ 42,563	$ 219,986	$ 4,458
Non-interest-bearing liabilities	132,647	144,835	9,005	-	-
Lease liabilities	73	218	80	-	-
	$ 137,483	$ 154,547	$ 51,648	$ 219,986	$ 4,458

December 31, 2024

	Due on demand or within one month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years
Non-derivative financial liabilities					
Floating rate instruments	$ 29,422	$ 72,975	$ 11,173	$ 57,766	$ 15,122
Non-interest-bearing liabilities	186,133	78,180	11,417	-	-
Lease liabilities	443	1,328	3,541	370	-
	$ 215,998	$ 152,483	$ 26,131	$ 58,136	$ 15,122

XXVII. Related Party Transactions

Significant transactions between the consolidated entity and related parties are as follows:

(I) Name of related party and relationship

Name of related party	Relationship with the Company
YuanShan Auto Parts Inc. (YuanShan Auto Parts)	Same key management personnel
Chen, Chun-Hsieh	Immediate family member of the Chairperson
Chen, Ying-Chih	Chairperson of the Company
Jin Sheng Co., Ltd. (Jin Sheng)	Director of the Company

(II) Other revenues

Category/name of related party	2025	2024
Director of the Company		
Jin Sheng	$ 362	$ -

(III) Lease agreement

Category/name of related party	Account title	December 31, 2025	December 31, 2024
Same key management personnel			
YuanShan Auto Parts	Lease liabilities		
	- Current	$ -	$ 4,408

Category/name of related party	2025	2024
Interest expense		
Same key management personnel		
YuanShan Auto Parts	$ 32	$ 109

Lease agreements between the consolidated entity and related parties are based on rental rates negotiated with reference to market conditions and are settled in accordance with the agreed terms.

(IV) Obtained endorsement and guarantee

As of December 31, 2025 and 2024, long-term borrowings (including the current portion due within one year) guaranteed by Chen, Chun-Hsieh and Chen, Ying-Chih amounted to NT$260,788 thousand and NT$100,861 thousand, respectively.

(V) Remuneration for key management personnel

	2025	2024
Short-term Employee Benefits	$ 22,338	$ 18,097
Post-employment Benefits	297	215
	$ 22,635	$ 18,312

XXVIII. Assets Pledged as Collateral

The following assets have been pledged as collateral for short-term and long-term borrowing facilities:

	December 31, 2025	December 31, 2024
Land	$ 507,793	$ 507,793
Net carrying amount of buildings	142,700	155,275
Pledged time deposits (presented under financial assets measured at amortized cost)	31,430	339,325
Investment Property	-	94,974
	$ 681,923	$ 1,097,367

XXIX. Significant commitments

The Company is constructing a factory and office building on its own land under a build-to-suit arrangement. The significant factory construction contract signed amounts to NT$835,880 thousand, of which NT$526,607 thousand (inclusive of tax) had been paid as of December 31, 2025, recognized as construction in progress.

In response to the capital expenditure program for the build-to-suit arrangement, the Board of Directors resolved on August 13, 2024 to approve an investment of approximately NT$400,000 thousand in mechanical and electrical systems, air conditioning, automated warehousing, and interior fit-out works. The significant mechanical and electrical engineering contract signed amounts to NT$162,000 thousand, of which NT$59,454 thousand (inclusive of tax) had been paid as of December 31, 2025, recognized as construction in progress. The automated warehousing contract signed amounts to NT$76,207 thousand, of which NT$26,673 thousand (inclusive of tax) had been paid as of December 31, 2025, recognized as prepayments for equipment.

XXX. Other Matters

The consolidated entity's most significant operational risk lies in infringement. The consolidated entity has established relevant internal control systems as a preventive mechanism against patent infringement. Based on the assessment conducted through the date of approval of these individual financial statements, the consolidated entity is not facing any related infringement matters.

XXXI. Information on Foreign-Currency-Denominated Assets and Liabilities with Significant Impact

The following information is presented in foreign currencies other than the consolidated entity's functional currency. The exchange rates disclosed represent the rates used to translate these foreign currencies into the functional currency. The consolidated entity's significant foreign-currency-denominated assets and liabilities are as follows:

December 31, 2025

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
US dollars (USD)	$ 63,975	31.43	$ 2,010,729
Foreign currency liabilities			
Monetary items			
US dollars (USD)	3,712	31.43	116,657

December 31, 2024

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
US dollars (USD)	$ 49,456	32.785	$ 1,621,428
Foreign currency liabilities			
Monetary items			
US dollars (USD)	1,716	32.785	56,258

The consolidated entity recorded net foreign currency exchange gains (losses) (realized and unrealized) of NT$(55,961) thousand and NT$143,289 thousand for 2025 and 2024, respectively.

XXXII. Disclosure Notes

(I) Information on significant transactions:

1. Lending of funds to others. (None)
2. Endorsements and guarantees for others. (None)
3. Significant securities held at the end of the period. (No significant securities requiring separate listing)
4. The amount of purchases from or sales to related parties reaches NT$100 million or 20% of the paid-in capital. (None)
5. Amounts receivable from related parties reach NT$100 million or 20% of the paid-in capital. (None)
6. Business relationships and significant transactions between the parent company and its subsidiaries, as well as among subsidiaries, and the amounts involved. (None)

(II) Information on Investee Companies (Table 1)

(III) Information on Investments in China (None)

XXXIII. Segment Information

(I) Segment Revenue, Operating Results, and Total Segment Assets and Liabilities

The chief operating decision maker views the consolidated entity as a single operating segment. Since the segment information reviewed by the chief operating decision maker is measured on the same basis as the financial statements, the reportable segment revenues and operating results for 2025 and 2024 may be referenced from the consolidated statements of comprehensive income for 2025 and 2024; the reportable segment assets as of December 31, 2025 and 2024 may be referenced from the consolidated balance sheets as of December 31, 2025 and 2024.

(II) Revenue from Major Products

The analysis of revenue from the consolidated entities' continuing operations by major products and services is as follows:

	2025	2024
Door handles	$ 871,296	$ 841,677
Rear View Camera	211,109	133,809
Automotive head unit	168,212	18,202
Other automotive parts	413,429	365,950
	$ 1,664,046	$ 1,359,638

(III) Geographical Information

The primary operating region of the consolidated entities is Taiwan.

(IV) Information on Major Customers

For 2025 and 2024, revenues derived from a single customer that exceeded 10% of the Company's total revenues were as follows:

	2025	2024
Company A	$ 367,766	$ 348,305
Company B	309,313	35,545

Hushan Autoparts Inc. and its subsidiaries

Information on investee companies, including location and other related details

2025

Table 1

Unit: NT$ in thousands, unless otherwise stated

Name of investing company	Name of investee company	Location	Primary business activities	Initial investment amount		Holdings at the end of the period			The investee company's profit (loss) for the current period	Investment gains (losses) recognized in the current period	Remarks
				December 31, 2025	January 1, 2025	Number of shares	Ratio (%)	Carrying amount			
Hushan Autoparts Inc.	Hushan Autoparts Inc.	USA	Automotive parts research and development, certification, marketing, and after-sales service	$ 84,861 (US$2,700 thousand)	$ 62,860 (US$2,000 thousand)	2,700,000	100	$ 81,982	($ 1,001)	($ 1,001)	
Hushan Autoparts Inc.	Hushan Autoparts (Vietnam) Company Limited	Vietnam	Manufacturing and trading of automotive parts	$ 28,153 (VND 23,960,000 thousand)	$ 28,153 (VND 23,960,000 thousand)	-	100	30,460	923	923	(Note 3)
Hushan Autoparts Inc.	Hushan Global Inc.	Samoa	General investment business such as bank time deposits and interest-bearing bonds	-	-	-	100	-	-	-	(Note 4)

Note 1: The amounts were translated at the exchange rates of US$1 = NT$31.43 and VND$1 = NT$0.001175 as of December 31, 2025.

Note 2: Eliminated upon preparation of the consolidated financial statements.

Note 3: On August 12, 2025, the Board of Directors approved a resolution to liquidate Hushan Autoparts (Vietnam) Company Limited; as of December 31, 2025, the liquidation process had not yet been completed.

Note 4: On August 12, 2025, the Board of Directors approved a resolution to establish Hushan Global Inc., which completed its registration on September 19, 2025. As of December 31, 2025, no capital contribution had yet been made.