

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 25003740

To the Board of Directors and Shareholders of Hsin Yung Chien Co., Ltd.

Opinion

We have audited the accompanying individual balance sheets of Hsin Yung Chien Co., Ltd. (the "Company") as at December 31, 2025 and 2024, and the related individual statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 individual financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Company's 2025 individual financial statements are stated as follows:

1. Timing of sales revenue recognition

Description

Refer to Note 4(24) for accounting policies on sales revenue and Note 6(16) for details of sales revenue. The Company is primarily engaged in manufacturing, processing, and sales of various types of rubber products. Sales revenue is recognised when the control over the goods was transferred under the transaction terms. The process of revenue recognition involves numerous manual judgement and procedures, which may result in improper timing of sales revenue recognition, thus we consider the cut-off of sales revenue as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

- A. Obtained an understanding and assessed the process of sales transactions and internal controls and then tested these controls to assess the effectiveness of sales revenue recognition timing determined by management.
- B. Checked transaction documents to ensure that the sales transaction for a certain period before and after the balance sheet date is recorded in the proper time.

2. Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(10) for accounting policy on inventory valuation, Note 5 for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of allowance for inventory valuation losses. As of December 31, 2025, the Company's inventories and allowance for inventory valuation losses amounted to \$295,115 thousand and \$31,392 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of various types of rubber products. For inventory that is over a certain age and individually identified for impairment, the impairment is measured at the lower of cost and net realisable value, and provides allowance for inventory valuation losses based on individually identified reasonable net realisable value and usable condition of obsolete or slow-moving inventories. Considering that the Company's allowance for inventory valuation losses were material to its financial statements, and the determination of the net realisable value at balance sheet date involved judgements and estimates, we identified the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Company's operation and the characteristics of its industry.
- B. Reviewed the Company's annual physical inventory count plan and participated in the annual inventory count event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.

- C. Obtained valuation statement of net realisable value of inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.
- D. Obtained the Company's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report and recalculated inventory aging range to confirm that the report information was consistent with its policies.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Wu, Sung-Yuan

Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 4, 2026

The accompanying individual financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying individual financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HSIN YUNG CHIEN CO.,LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 546,149	14	\$ 713,641	19
1110	Financial assets at fair value through profit or loss - current		8	-	-	-
1136	Current financial assets at amortised cost, net	6(2)	1,365,238	36	1,066,186	29
1150	Notes receivable, net	6(3)	5,612	-	15,889	-
1170	Accounts receivable, net	6(3)	149,687	4	204,469	5
1200	Other receivables		5,807	-	5,314	-
130X	Inventories	6(4)	263,723	7	180,017	5
1470	Other current assets	6(5)	24,813	1	21,616	1
11XX	Current Assets		<u>2,361,037</u>	<u>62</u>	<u>2,207,132</u>	<u>59</u>
Non-current assets						
1600	Property, plant and equipment	6(6) and 8	1,372,151	36	1,404,671	38
1780	Intangible assets		1,572	-	939	-
1840	Deferred income tax assets	6(22)	22,982	1	18,486	-
1900	Other non-current assets	6(7)(11)	47,777	1	94,921	3
15XX	Non-current assets		<u>1,444,482</u>	<u>38</u>	<u>1,519,017</u>	<u>41</u>
1XXX	Total assets		<u>\$ 3,805,519</u>	<u>100</u>	<u>\$ 3,726,149</u>	<u>100</u>

(Continued)

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Current contract liabilities	6(16)	\$ 48,486	1	\$ 24,171	1
2150	Notes payable		28,507	1	23,092	1
2160	Notes payable - related parties	7(2)	57,557	2	50,342	1
2170	Accounts payable		25,827	1	20,577	1
2180	Accounts payable - related parties	7(2)	18,852	-	19,528	-
2200	Other payables	6(8)	75,093	2	63,679	2
2230	Current income tax liabilities	6(22)	66,127	2	37,262	1
2250	Provisions for liabilities - current	6(9)	3,587	-	3,587	-
2320	Long-term liabilities, current portion	6(10)	77,500	2	66,254	2
2399	Other current liabilities, others	6(16)	1,013	-	3,481	-
21XX	Current Liabilities		<u>402,549</u>	<u>11</u>	<u>311,973</u>	<u>9</u>
Non-current liabilities						
2540	Non-current borrowings	6(10)	200,209	5	277,650	7
2570	Deferred income tax liabilities	6(22)	31,127	1	31,250	1
25XX	Non-current liabilities		<u>231,336</u>	<u>6</u>	<u>308,900</u>	<u>8</u>
2XXX	Total Liabilities		<u>633,885</u>	<u>17</u>	<u>620,873</u>	<u>17</u>
Equity						
Equity attributable to owners of parent						
	Share capital	6(13)				
3110	Share capital - common stock		779,918	20	779,918	21
	Capital surplus	6(14)				
3200	Capital surplus		268,039	7	261,493	7
	Retained earnings	6(15)				
3310	Legal reserve		783,241	21	743,233	20
3350	Unappropriated retained earnings		1,340,436	35	1,320,632	35
3XXX	Total equity		<u>3,171,634</u>	<u>83</u>	<u>3,105,276</u>	<u>83</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		<u>\$ 3,805,519</u>	<u>100</u>	<u>\$ 3,726,149</u>	<u>100</u>

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

HSIN YUNG CHIEN CO., LTD.
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	\$ 1,596,478	100	\$ 1,466,396	100
5000	Operating costs	6(4)(20)(21) and 7(2)	(962,173)	(60)	(877,128)	(60)
5900	Net operating margin		<u>634,305</u>	<u>40</u>	<u>589,268</u>	<u>40</u>
	Operating expenses	6(20)(21)				
6100	Selling expenses		(76,638)	(5)	(84,762)	(6)
6200	General and administrative expenses		(53,001)	(3)	(46,660)	(3)
6300	Research and development expenses		(6,872)	(1)	(13,760)	(1)
6000	Total operating expenses		<u>(136,511)</u>	<u>(9)</u>	<u>(145,182)</u>	<u>(10)</u>
6900	Operating profit		<u>497,794</u>	<u>31</u>	<u>444,086</u>	<u>30</u>
	Non-operating income and expenses					
7100	Interest income	6(17)	27,969	2	26,873	2
7010	Other income	6(18)	8,495	-	15,015	1
7020	Other gains and losses	6(19)	26,805	2	13,537	1
7050	Finance costs		(2,216)	-	(2,675)	-
7000	Total non-operating income and expenses		<u>61,053</u>	<u>4</u>	<u>52,750</u>	<u>4</u>
7900	Profit before income tax		<u>558,847</u>	<u>35</u>	<u>496,836</u>	<u>34</u>
7950	Income tax expense	6(22)	(107,851)	(7)	(98,609)	(7)
8200	Profit for the year		<u>\$ 450,996</u>	<u>28</u>	<u>\$ 398,227</u>	<u>27</u>
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(11)				
			(\$ 1,530)	-	\$ 2,315	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	<u>306</u>	<u>-</u>	<u>(463)</u>	<u>-</u>
8300	Total other comprehensive (loss) income for the year		<u>(\$ 1,224)</u>	<u>-</u>	<u>\$ 1,852</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 449,772</u>	<u>28</u>	<u>\$ 400,079</u>	<u>27</u>
	Basic earnings per share	6(23)				
9750	Total basic earnings per share		<u>\$ 5.78</u>		<u>\$ 5.11</u>	
	Diluted earnings per share	6(23)				
9850	Total diluted earnings per share		<u>\$ 5.76</u>		<u>\$ 5.08</u>	

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

HSIN YUNG CHIEN CO.,LTD.
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained earnings		Total equity
				Legal reserve	Unappropriated retained earnings	
<u>Year ended December 31, 2024</u>						
Balance at January 1, 2024		\$ 779,918	\$ 254,929	\$ 696,315	\$ 1,357,431	\$ 3,088,593
Profit for the year		-	-	-	398,227	398,227
Other comprehensive income for the year		-	-	-	1,852	1,852
Total comprehensive income		-	-	-	400,079	400,079
Appropriation and distribution of 2023 earnings:	6(15)					
Legal reserve appropriated		-	-	46,918	(46,918)	-
Cash dividends of ordinary share		-	-	-	(389,960)	(389,960)
Dividends not received by shareholders	6(14)	-	162	-	-	162
Share-based payments	6(12)(14)	-	6,402	-	-	6,402
Balance at December 31, 2024		\$ 779,918	\$ 261,493	\$ 743,233	\$ 1,320,632	\$ 3,105,276
<u>Year ended December 31, 2025</u>						
Balance at January 1, 2025		\$ 779,918	\$ 261,493	\$ 743,233	\$ 1,320,632	\$ 3,105,276
Profit for the year		-	-	-	450,996	450,996
Other comprehensive loss for the year		-	-	-	(1,224)	(1,224)
Total comprehensive income		-	-	-	449,772	449,772
Appropriation and distribution of 2024 earnings:	6(15)					
Legal reserve appropriated		-	-	40,008	(40,008)	-
Cash dividends of ordinary share		-	-	-	(389,960)	(389,960)
Dividends not received by shareholders	6(14)	-	161	-	-	161
Share-based payments	6(12)(14)	-	6,385	-	-	6,385
Balance at December 31, 2025		\$ 779,918	\$ 268,039	\$ 783,241	\$ 1,340,436	\$ 3,171,634

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

HSIN YUNG CHIEN CO.,LTD.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 558,847	\$ 496,836
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	103,055	91,988
Amortization expense	6(20)	6,892	6,937
Loss on disposal of property and equipment	6(19)	26	447
Interest income	6(17)	(27,969)	(26,873)
Interest expense		2,216	2,675
Gain on financial assets at fair value through profit or loss		(8)	-
Share-based payments	6(12)	6,385	6,402
Unrealized foreign exchange (gain) loss		(4,946)	(2,979)
Reversal of provision for sales returns and discounts	6(9)	-	(3,860)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		10,277	(6,993)
Accounts receivable, net		77,350	(2,112)
Other receivables		(493)	1,239
Inventories		(83,706)	16,733
Other current assets		(3,091)	(147)
Net defined benefit asset		630	-
Changes in operating liabilities			
Contract liabilities		(3,199)	2,253
Notes payable		5,415	7,742
Notes payable - related parties		7,215	3,577
Accounts payable		5,324	3,023
Accounts payable - related parties		(676)	3,042
Other payables		14,102	985
Other current liabilities		(2,468)	2,333
Net defined benefit liability		-	(4,531)
Cash inflow generated from operations		671,178	598,717
Interest received	6(17)	27,969	26,873
Interest paid		(2,245)	(2,558)
Income taxes paid		(83,299)	(107,838)
Net cash flows from operating activities		<u>613,603</u>	<u>515,194</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(1,344,238)	(597,656)
Proceeds from repayments of financial assets at amortised cost		1,044,405	644,248
Acquisition of property and equipment	6(24)	(27,596)	(114,622)
Proceeds from disposal of property, plant and equipment		-	84
Decrease (increase) in refundable deposits	6(7)	817	(1,494)
Acquisition of intangible assets		(1,335)	(271)
(Increase) decrease in other operating assets		(6,114)	210
Net cash flows used in investing activities		<u>(334,061)</u>	<u>(69,501)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term debt	6(24)	-	27,000
Repayments of long-term borrowings	6(24)	(66,195)	(95,477)
Decrease in guarantee deposits received	6(24)	-	100
Cash dividends paid	6(15)(24)	(389,960)	(389,960)
Dividends not received by shareholders	6(14)	161	162
Net cash flows used in financing activities		<u>(455,994)</u>	<u>(458,375)</u>
Effect of exchange rate changes on cash and cash equivalents		8,960	3,245
Net decrease in cash and cash equivalents		(167,492)	(9,437)
Cash and cash equivalents at beginning of year		713,641	723,078
Cash and cash equivalents at end of year		<u>\$ 546,149</u>	<u>\$ 713,641</u>

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

HSIN YUNG CHIEN CO.,LTD.
NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Hsin Yung Chien Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in August 1969. The Company was formerly named as HSIN YUNG CHIEN CO., LTD. and changed its name to HSIN YUNG CHIEN CO., LTD. in 2003. The Company is primarily engaged in manufacturing, processing and sales of rubber conveyor belt, rubber sheet, oil resistant, acid resistant, heat resistant packer elements and other rubber products. The Company’s stocks have been approved and listed on the Taipei Exchange since September 28, 2006 and transferred to list in the Taiwan Stock Exchange starting from December 29, 2010 after approval.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on March 4, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’	January 1, 2026

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027(Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment:

IFRS 18, ‘Presentation and disclosure in financial statements’, which replaces IAS 1, updates the structure of the statement of comprehensive income, introduces disclosures on management performance measurement, and strengthens the principles for aggregation and disaggregation in the primary financial statements and notes. The related impacts will be disclosed upon completion of the assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation, the financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss.
- D. All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;

- (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Company's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(8) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration

all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the direct method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Improvements to Land	5 years
Buildings and structures	5~51 years
Machinery and equipment	1~21 years
Transportation equipment	5 years
Office equipment	2~12 years
Other equipment	1~15 years

(12) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 9 years.

(13) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(14) Borrowings

Borrowings comprise long-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(15) Accounts and notes payable

A. Notes payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(16) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(17) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(18) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises

expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' and remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the amounts resolved by the shareholders and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(20) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(21) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. If the deferred tax arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related

deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(24) Revenue recognition

Sales of goods:

- A. The Company manufactures and sells conveyor belt related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. The Company's obligation to provide a refund for sales of faulty products is recognised as a provision.
- C. Sales contracts contain the terms for advance sales receipts. The contract liabilities are recognised as revenue when control of the products has transferred to the customer.

(25) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Assumptions and Key Sources of Estimation Uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$263,723 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 614	\$ 669
Checking accounts	5,984	5,889
Demand deposits	79,527	184,167
Time deposits	460,024	522,916
	<u>\$ 546,149</u>	<u>\$ 713,641</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's time deposits that did not meet short-term cash commitments were classified as financial assets at amortised cost. Relevant information is provided in Note 6(2).

(2) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits maturing in excess of three months	<u>\$ 1,365,238</u>	<u>\$ 1,066,186</u>

A. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company were \$1,365,238 thousand and \$1,066,186 thousand, respectively.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 5,612	\$ 15,889
Accounts receivable	\$ 153,262	\$ 208,044
Less: Allowance for bad debts	(3,575)	(3,575)
	<u>\$ 149,687</u>	<u>\$ 204,469</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 143,030	\$ 5,612	\$ 204,902	\$ 15,889
Up to 30 days	10,232	-	2,448	-
31 to 90 days	-	-	694	-
	<u>\$ 153,262</u>	<u>\$ 5,612</u>	<u>\$ 208,044</u>	<u>\$ 15,889</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of accounts receivable and notes receivable from contracts with customers amounted to \$198,496 thousand and \$8,896 thousand, respectively.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$5,612 thousand and \$15,889 thousand ; and for accounts receivable were \$149,687 thousand and \$204,469 thousand, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2025		
	Cost	Allowance for obsolescence and market value decline	Book value
Raw materials	\$ 114,140	(\$ 16,728)	\$ 97,412
Work in progress	16,914	(3,779)	13,135
Finished goods	160,242	(9,513)	150,729
Merchandises	3,819	(1,372)	2,447
	<u>\$ 295,115</u>	<u>(\$ 31,392)</u>	<u>\$ 263,723</u>

	December 31, 2024		
	Cost	Allowance for obsolescence and market value decline	Book value
Raw materials	\$ 70,844	(\$ 6,723)	\$ 64,121
Work in progress	17,627	(2,780)	14,847
Finished goods	109,204	(8,471)	100,733
Merchandises	795	(479)	316
	<u>\$ 198,470</u>	<u>(\$ 18,453)</u>	<u>\$ 180,017</u>

The cost of inventories recognised as expense for the period:

	Year ended December 31	
	2025	2024
Cost of goods sold	\$ 943,390	\$ 866,740
Loss on slow-moving inventories and valuation loss	12,939	1,770
Underapplied overhead	5,844	8,618
	<u>\$ 962,173</u>	<u>\$ 877,128</u>

(5) Other current assets

	December 31, 2025	December 31, 2024
Prepayments	\$ 24,375	\$ 21,166
Others	438	450
	<u>\$ 24,813</u>	<u>\$ 21,616</u>

(6) Property, plant and equipment

	Year ended December 31, 2025				
	Balance at beginning of year	Addition	Decrease	Transfers during the year	Balance at end of year
Cost					
Land	\$ 349,076	\$ -	\$ -	\$ -	\$ 349,076
Land improvements	2,519	-	-	-	2,519
Buildings and structures	810,102	2,012	-	34,977	847,091
Machinery and equipment	1,328,189	8,402	-	67,208	1,403,799
Transportation equipment	3,448	-	(465)	-	2,983
Office equipment	15,534	-	-	-	15,534
Other equipment	172,161	1,318	-	1,756	175,235
Unfinished construction/equipment under acceptance	82,391	-	-	(45,112)	37,279
Total	<u>\$ 2,763,420</u>	<u>\$ 11,732</u>	<u>(\$ 465)</u>	<u>\$ 58,829</u>	<u>\$ 2,833,516</u>
Accumulated depreciation					
Land improvements	(\$ 2,518)	\$ -	\$ -	\$ -	(\$ 2,518)
Buildings and structures	(200,658)	(28,140)	-	-	(228,798)
Machinery and equipment	(1,041,509)	(61,529)	-	-	(1,103,038)
Transportation equipment	(2,556)	(299)	439	-	(2,416)
Office equipment	(13,034)	(900)	-	-	(13,934)
Other equipment	(98,474)	(12,187)	-	-	(110,661)
	<u>(1,358,749)</u>	<u>(\$ 103,055)</u>	<u>\$ 439</u>	<u>\$ -</u>	<u>(1,461,365)</u>
	<u>\$ 1,404,671</u>				<u>\$ 1,372,151</u>

Year ended December 31, 2024

	Balance at beginning of year	Addition	Decrease	Transfers during the year	Balance at end of year
Cost					
Land	\$ 347,857	\$ 1,219	\$ -	\$ -	\$ 349,076
Land improvements	2,519	-	-	-	2,519
Buildings and structures	805,910	3,932	-	260	810,102
Machinery and equipment	1,252,286	9,491	(5,116)	71,528	1,328,189
Transportation equipment	3,933	-	(485)	-	3,448
Office equipment	15,534	-	-	-	15,534
Other equipment	115,812	8,769	(235)	47,815	172,161
Unfinished construction/equipment under acceptance	52,506	35,636	-	(5,751)	82,391
Total	<u>\$ 2,596,357</u>	<u>\$ 59,047</u>	<u>(\$ 5,836)</u>	<u>\$ 113,852</u>	<u>\$ 2,763,420</u>
Accumulated depreciation					
Land improvements	(\$ 2,518)	\$ -	\$ -	\$ -	(\$ 2,518)
Buildings and structures	(173,838)	(26,820)	-	-	(200,658)
Machinery and equipment	(990,664)	(55,482)	4,637	-	(1,041,509)
Transportation equipment	(2,681)	(335)	460	-	(2,556)
Office equipment	(11,954)	(1,080)	-	-	(13,034)
Other equipment	(90,411)	(8,271)	208	-	(98,474)
	<u>(1,272,066)</u>	<u>(\$ 91,988)</u>	<u>\$ 5,305</u>	<u>\$ -</u>	<u>(1,358,749)</u>
	<u>\$ 1,324,291</u>				<u>\$ 1,404,671</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for business facilities and construction	\$ 35,740	\$ 81,363
Guarantee deposits paid	6,899	7,716
Others	5,138	5,842
	<u>\$ 47,777</u>	<u>\$ 94,921</u>

(8) Other payables

	December 31, 2025	December 31, 2024
Wages and salaries payable	\$ 46,251	\$ 32,937
Other accrued expenses	15,158	14,459
Accrued compensation due to directors	8,763	7,792
Freight payable	4,721	5,633
Payable on machinery and equipment	200	2,858
	<u>\$ 75,093</u>	<u>\$ 63,679</u>

(9) Current provisions

	Year ended December 31	
	2025	2024
Balance at beginning of year	\$ 3,587	\$ 7,447
Provision reversal	-	(3,860)
Balance at end of year	<u>\$ 3,587</u>	<u>\$ 3,587</u>

The Company's provision is mainly related to the quality of rubber products sold. Provision is estimated based on historical data of rubber products.

(10) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings			
Secured borrowings	Borrowing period is from August 5, 2022 to July 15, 2029; interest payable monthly; principal is repayable monthly from August 15, 2025.	Plant	\$ 60,021
Secured borrowings	Borrowing period is from August 3, 2023 to July 15, 2029; interest payable monthly; principal is repayable monthly from August 15, 2025.	Plant	
			<u>217,688</u>
			277,709
Less: Current portion			(77,500)
			<u>\$ 200,209</u>

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings			
Secured borrowings	Borrowing period is from August 5, 2022 to April 15, 2025; interest payable monthly; principal is repayable monthly from May 15, 2023.	Machinery and equipment	\$ 3,429
Secured borrowings	Borrowing period is from August 5, 2022 to July 15, 2029; interest payable monthly; principal is repayable monthly from August 15, 2025.	Plant	67,000
Secured borrowings	Borrowing period is from August 3, 2023 to April 15, 2025; interest payable monthly; principal is repayable monthly from August 15, 2023.	Machinery and equipment	22,167
Secured borrowings	Borrowing period is from August 3, 2023 to July 15, 2029; interest payable monthly; principal is repayable monthly from August 15, 2025.	Plant	243,000
Secured borrowings	Borrowing period is from April 1, 2024 to April 15, 2025; interest payable monthly; principal is repayable monthly from April 15, 2024.	Machinery and equipment	8,308
			<u>343,904</u>
Less: Current portion			(<u>66,254</u>)
			<u>\$ 277,650</u>

Details of the Company's assets pledged as collateral for the purpose of long-term borrowings are provided in Note 8.

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of

the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. In addition, 4% is allocated to the retirement fund for the appointed manager.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 17,357	\$ 14,832
Fair value of plan assets	(22,463)	(20,568)
Net defined benefit asset	<u>(\$ 5,106)</u>	<u>(\$ 5,736)</u>

(c) Movements in net defined benefit assets are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability (asset)</u>
At January 1	\$ 14,832	(\$ 20,568)	(\$ 5,736)
Interest expense (income)	237	(329)	(92)
	<u>15,069</u>	<u>(20,897)</u>	<u>(5,828)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Experience adjustments	2,918	(1,388)	1,530
	<u>2,918</u>	<u>(1,388)</u>	<u>1,530</u>
Pension fund contribution	-	(808)	(808)
Pension payment	(630)	630	-
At December 31	<u>\$ 17,357</u>	<u>(\$ 22,463)</u>	<u>(\$ 5,106)</u>

2024

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (asset)
At January 1	\$ 15,301	(\$ 17,995)	(\$ 2,694)
Interest expense (income)	184	(216)	(32)
	<u>15,485</u>	<u>(18,211)</u>	<u>(2,726)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Experience adjustments	(653)	(1,662)	(2,315)
	<u>(653)</u>	<u>(1,662)</u>	<u>(2,315)</u>
Pension fund contribution	-	(695)	(695)
At December 31	<u>\$ 14,832</u>	<u>(\$ 20,568)</u>	<u>(\$ 5,736)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	(\$ 205)	\$ 211	\$ 166	(\$ 162)
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ 188)	\$ 193	\$ 155	(\$ 152)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amount to \$822 thousand.

(g) As of December 31, 2025, the weighted average duration of the retirement plan is 5 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	5,468
1-2 year(s)		2,726
3-5 years		4,442
Over 5 years		2,718
	\$	<u>15,354</u>

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were \$2,501 thousand and \$2,089 thousand, respectively.

(12) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousand)	Contract period	Vesting conditions
Employee stock options	2020.11.24	2,000	10 years	Note

Note: The lifetime of the issued employee stock options is 10 years. After 6 years from the date that employee stock options were granted, employees can exercise the options in accordance with the regulation.

B. Details of the share-based payment arrangements are as follows:

	2025		2024	
	No. of options (shares in thousand)	Weighted-average exercise price (in dollars)	No. of options (shares in thousand)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,000	\$ -	2,000	\$ -
Options granted	-	-	-	-
Options outstanding at December 31	<u>2,000</u>		<u>2,000</u>	
Options exercisable at December 31	<u>-</u>		<u>-</u>	

C. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock	2020.11.24	82.6	82.6	20.1737% (Note)	8 years	-	0.2375%	19.1635

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

D. For the years ended December 31, 2025 and 2024, the compensation costs were \$6,385 thousand and \$6,402 thousand, respectively.

(13) Share capital

As of December 31, 2025, the Company's authorised capital was \$1,000,000 thousand, consisting of 100,000 thousand shares of ordinary stock, and the paid-in capital was \$779,918 thousand with a par value of \$10 (in dollars) per share. There was no change in the reporting period. All proceeds from shares issued have been collected.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share premium	\$ 225,374	\$ 225,374
Treasury share transactions	8,236	8,236
Employee stock options	32,589	26,204
Donated assets received	1,840	1,679
	<u>\$ 268,039</u>	<u>\$ 261,493</u>

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. As the Company is in the growth stage, and taking into consideration of shareholders' interest, the Company's financial structure and long-term development, total amount of bonus distributed to shareholders shall be over 20% of accumulated unappropriated earnings. The ratio of cash dividends shall be at least 10% of the total amount of bonus distributed to shareholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 2024 and 2023 earnings as approved by the shareholders during their meeting on May 22, 2025 and May 15, 2024, respectively, are as follows:

	Year ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 40,008		\$ 46,918	
Cash dividends	389,960	5.0	389,960	5.0
	<u>\$ 429,968</u>		<u>\$ 436,878</u>	

- F. The appropriation of 2025 earnings as approved by the Board of Directors during their meeting on March 4, 2026 are as follows:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 44,977	
Cash dividends	389,960	5.0
	<u>\$ 434,937</u>	

As of March 4, 2026, the appropriation of 2025 earnings has not yet been reported to the shareholders.

- G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(21).

(16) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	<u>\$ 1,596,478</u>	<u>\$ 1,466,396</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions:

	<u>Year ended December 31, 2025</u>				
Revenue from	America	Europe	Asia region	Other regions	Total
external customer	<u>region</u>	<u>region</u>	<u>region</u>	<u>region</u>	<u>region</u>
contracts					
Rubber products	<u>\$ 761,726</u>	<u>\$ 430,669</u>	<u>\$ 343,227</u>	<u>\$ 28,722</u>	<u>\$ 1,564,344</u>
Other products	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,134</u>	<u>\$ -</u>	<u>\$ 32,134</u>
	<u>Year ended December 31, 2024</u>				
Revenue from	America	Europe	Asia region	Other regions	Total
external customer	<u>region</u>	<u>region</u>	<u>region</u>	<u>region</u>	<u>region</u>
contracts					
Rubber products	<u>\$ 728,380</u>	<u>\$ 351,811</u>	<u>\$ 317,307</u>	<u>\$ 33,182</u>	<u>\$ 1,430,680</u>
Other products	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,716</u>	<u>\$ -</u>	<u>\$ 35,716</u>

B. Contract liability and refund liability (shown as other current liabilities)

The Company has recognized the following revenue-related contract liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities:			
Contract liabilities - advance sales receipts	<u>\$ 48,486</u>	<u>\$ 24,171</u>	<u>\$ 17,055</u>
Refund liability (that is cash discounts on sales discounts and allowances, shown as 'other current liabilities')	<u>\$ 919</u>	<u>\$ 3,402</u>	<u>\$ 1,027</u>
	<u>Year ended December 31</u>		
	<u>2025</u>	<u>2024</u>	
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>\$ 19,114</u>	<u>\$ 9,826</u>	

(17) Interest income

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	<u>\$ 27,969</u>	<u>\$ 26,873</u>

(18) Other income

	Year ended December 31	
	2025	2024
Rent income	\$ 212	\$ 170
Other income, others	8,283	14,845
	<u>\$ 8,495</u>	<u>\$ 15,015</u>

(19) Other gains and losses

	Year ended December 31	
	2025	2024
Net gain on financial assets at fair value through profit or loss	\$ 8	\$ 7
Losses on disposal of property, plant and equipment	(26)	(447)
Foreign exchange gains	26,823	13,977
	<u>\$ 26,805</u>	<u>\$ 13,537</u>

(20) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	\$ 121,731	\$ 100,134
Depreciation charges on property, plant and equipment	103,055	91,988
Amortisation expense	6,892	6,937
Operating cost and operating expenses	<u>\$ 231,678</u>	<u>\$ 199,059</u>

(21) Employee benefit expense

	December 31, 2025		
	Cost	Expenses	Total
Wages and salaries	\$ 62,575	\$ 28,818	\$ 91,393
Employee stock options	3,384	3,001	6,385
Labor and health insurance fees	5,788	2,188	7,976
Pension costs	1,377	1,032	2,409
Directors' remuneration	-	9,885	9,885
Other personnel expenses	2,924	759	3,683
	<u>\$ 76,048</u>	<u>\$ 45,683</u>	<u>\$ 121,731</u>

	December 31, 2024		
	Cost	Expenses	Total
Wages and salaries	\$ 48,113	\$ 24,022	\$ 72,135
Employee stock options	3,393	3,009	6,402
Labor and health insurance fees	5,025	1,814	6,839
Pension costs	1,206	851	2,057
Directors' remuneration	-	8,914	8,914
Other personnel expenses	3,145	642	3,787
	<u>\$ 60,882</u>	<u>\$ 39,252</u>	<u>\$ 100,134</u>

- A. In accordance with the Articles of Incorporation of the Company, the profit before deducting from tax and employees' compensation and directors' remuneration shall be used to offset operating losses. The remainder, if any, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation, including no less than 1% allocated to grassroots employees and shall not be higher than 3% for directors' remuneration.
- B. The accrued amounts of employees' compensation and directors' and supervisors' remuneration are as follows:

	Year ended December 31	
	2025	2024
Employees' compensation	\$ 17,526	\$ 15,584
Directors' and supervisors' remuneration	8,763	7,792
	<u>\$ 26,289</u>	<u>\$ 23,376</u>

The above-mentioned amounts were recognized in salary expenses.

For the years ended December 31, 2025 and 2024, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on distributable profit of current year as of the end of reporting period, and the estimated and accrued ratios are as follows:

	Year ended December 31	
	2025	2024
Employees' compensation ratio	3.00%	3.00%
Directors' and supervisors' remuneration ratio	1.50%	1.50%

- C. Employees' compensation and directors' and supervisors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements, and the employees' compensation will be distributed in the form of cash.
- D. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.
- E. As of December 31, 2025 and 2024, the Company had 119 and 112 employees, both including 7

non-employee directors.

F. Average employee benefit expense in current and previous year were \$999 thousand and \$869 thousand, respectively.

G. Average employee salaries in current and previous year were \$873 thousand and \$748 thousand, respectively.

H. Adjustments to the average employee salaries was 17%.

I. The Company's remuneration policy is as follows:

(a) The directors', supervisors' and managers' remuneration are distributed in accordance with the Articles of Incorporation of the Company.

(b) The performance evaluation and remuneration of the Company's directors and managers shall refer to the usual level of payment in the industry and consider the reasonableness of the relationship with individual performance, company operating performance and future risks. In addition, the Remuneration Committee shall regularly evaluate the standards and policies for the performance evaluation and remuneration of directors and managers.

(c) Directors' emoluments include remuneration and transportation allowance.

(d) Managers' and employees' emoluments include salaries, bonuses, employee compensation, employee stock option certification, etc.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 116,102	\$ 97,074
Prior year income tax underestimation (overestimation)	(3,938)	(798)
Total current tax	112,164	96,276
Deferred tax:		
Origination and reversal of temporary differences	(4,313)	2,333
Income tax expense	\$ 107,851	\$ 98,609

(b) The income tax credit (charge) relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2025	2024
Present value of defined benefit obligations	(\$ 306)	\$ 463

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 111,769	\$ 99,367
Expenses disallowed by tax regulation	20	40
Prior year income tax overestimation	(3,938)	(798)
Income tax expense	<u>\$ 107,851</u>	<u>\$ 98,609</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2025			
	Balance at beginning of year	Recognised in profit or loss	Recognised in other comprehensive income	Balance at end of year
Temporary differences:				
—Deferred tax assets:				
Unrealised sales revenue	\$ 9,728	\$ 2,867	\$ -	\$ 12,595
The amount of pension not actually appropriated	3,092	(180)	-	2,912
Allowance for inventory valuation and obsolete and slow-moving inventories	3,689	2,588	-	6,277
Allowance for sales returns and discounts	718	-	-	718
Unrealised exchange loss	807	(807)	-	-
Others	452	28	-	480
	<u>\$ 18,486</u>	<u>\$ 4,496</u>	<u>\$ -</u>	<u>\$ 22,982</u>
—Deferred tax liabilities:				
Land value increment tax	(28,202)	-	-	(28,202)
Unrealised exchange gain	-	(182)	-	(182)
Unrealized Gain (Loss) on Financial Assets	-	(1)	-	(1)
Remeasurement of defined benefit obligations	(3,048)	-	306	(2,742)
	<u>(\$ 31,250)</u>	<u>(\$ 183)</u>	<u>\$ 306</u>	<u>(\$ 31,127)</u>
		<u>\$ 4,313</u>	<u>\$ 306</u>	

	Year ended December 31, 2024			
	Balance at beginning of year	Recognised in profit or loss	Recognised in other comprehensive income	Balance at end of year
Temporary differences:				
— Deferred tax assets:				
Unrealised sales revenue	\$ 12,111	(\$ 2,383)	\$ -	\$ 9,728
The amount of pension not actually appropriated	3,237	(145)	-	3,092
Allowance for inventory valuation and obsolete and slow-moving inventories	3,335	354	-	3,689
Allowance for sales returns and discounts	1,490	(772)	-	718
Unrealised exchange loss	211	596	-	807
Others	435	17	-	452
	<u>\$ 20,819</u>	<u>(\$ 2,333)</u>	<u>\$ -</u>	<u>\$ 18,486</u>
— Deferred tax liabilities:				
Land value increment tax	(28,202)	-	-	(28,202)
Remeasurement of defined benefit obligations	(2,585)	-	(463)	(3,048)
	<u>(\$ 30,787)</u>	<u>\$ -</u>	<u>(\$ 463)</u>	<u>(\$ 31,250)</u>
		<u>(\$ 2,333)</u>	<u>(\$ 463)</u>	

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the year	<u>\$ 450,996</u>	<u>77,992</u>	<u>\$ 5.78</u>
<u>Diluted earnings per share</u>			
Profit for the year	\$ 450,996	77,992	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	115	
Employees' compensation	<u>-</u>	<u>220</u>	
Profit plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 450,996</u>	<u>78,327</u>	<u>\$ 5.76</u>
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the year	<u>\$ 398,227</u>	<u>77,992</u>	<u>\$ 5.11</u>
<u>Diluted earnings per share</u>			
Profit for the year	\$ 398,227	77,992	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	255	
Employees' compensation	<u>-</u>	<u>182</u>	
Profit plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 398,227</u>	<u>78,429</u>	<u>\$ 5.08</u>

The diluted earnings per share computation shall assume that distribution will be in the form of stocks in the calculation of the weighted-average number of common shares outstanding during the current year, taking into account the dilutive effects of employees' compensation on potential common share.

(24) Supplemental cash flow information

A. Investing activities with partial cash payments for property, plant and equipment:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	\$ 70,561	\$ 172,899
Add: Opening balance of payable on equipment	2,858	42,211
Less: Ending balance of payable on equipment	(200)	(2,858)
Add: Ending balance of prepayment for equipment and construction	35,740	81,363
Less: Opening balance of prepayment for equipment and construction	(81,363)	(178,993)
Cash paid during the period	<u>\$ 27,596</u>	<u>\$ 114,622</u>

B. Changes in liabilities from financing activities

	2025			
	Long-term borrowings	Guarantee deposits received	Cash dividends paid	Liabilities from financing activities-gross
At January 1	\$ 343,904	\$ -	\$ -	\$ 343,904
Changes in cash flow from financing activities	(66,195)	-	(389,960)	(456,155)
Changes in other non-cash items	-	-	389,960	389,960
At December 31	<u>\$ 277,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,709</u>
	2024			
	Long-term borrowings	Guarantee deposits received	Cash dividends paid	Liabilities from financing activities-gross
At January 1	\$ 412,381	\$ 100	\$ 389,960	\$ 802,441
Changes in cash flow from financing activities	(68,477)	(100)	(389,960)	(458,537)
At December 31	<u>\$ 343,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,904</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
CLEP ENTERPRISE CO., LTD.	The chairman of the entity is the second-degree relative of the chairman of the Company (other related party)

(2) Significant related party transactions

A. Purchases

	Year ended December 31	
	2025	2024
Raw materials purchased:		
CLEP ENTERPRISE CO., LTD.	<u>\$ 211,164</u>	<u>\$ 180,800</u>

The above price of purchase transactions is based on the market price in mutual agreement. The payment terms were approximately the same as those with general suppliers. The payment to the general suppliers is 60 to 95 days after monthly billings, L/C or T/T based on the different transaction terms.

B. Payables to related parties:

	December 31, 2025	December 31, 2024
Notes payable:		
CLEP ENTERPRISE CO., LTD.	<u>\$ 57,557</u>	<u>\$ 50,342</u>
Accounts payable:		
CLEP ENTERPRISE CO., LTD.	<u>\$ 18,852</u>	<u>\$ 19,528</u>

The payables to related parties arose mainly from purchase transactions.

(3) Key management compensation

	Year ended December 31	
	2025	2024
Short-term employee benefits	\$ 13,061	\$ 12,056
Post-employment benefits	34	32
	<u>\$ 13,095</u>	<u>\$ 12,088</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value	Book value	Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	<u>\$ 773,650</u>	<u>\$ 790,988</u>	Long-term and short-term borrowings (Noted)

Noted: The Company has fully repaid certain secured long-term loans; however, the cancellation of the related collateral has not yet been processed.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	\$ 19,063	\$ 32,681

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 8</u>	<u>\$ -</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 546,149	\$ 713,641
Current financial assets at amortised cost	1,365,238	1,066,186
Notes receivable	5,612	15,889
Accounts receivable	149,687	204,469
Other receivables	5,807	5,314
Guarantee deposits paid	6,899	7,716
	<u>\$ 2,079,392</u>	<u>\$ 2,013,215</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable (including related parties)	\$ 86,064	\$ 73,434
Accounts payable (including related parties)	44,679	40,105
Other payables	75,093	63,679
Long-term borrowings	<u>277,709</u>	<u>343,904</u>
	<u>\$ 483,545</u>	<u>\$ 521,122</u>

B. Financial risk management policies

- (a) The Company's daily sales expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units and chairman's office, and implements in accordance with the Company's internal management regulation and internal control system. The process and results of the implementation shall comply with the regulations of the law.

The Board of Directors of the Company supervises the management's compliance with financial risk policies and procedures, and reviews the appropriateness of the Company's financial risk framework. Internal auditors assist the board of directors of the Company in its supervisory role by conducting regular and exception reviews and reporting the results to the Board of Directors.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i The Company sells internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD, GBP, JPY, AUD and EUR. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii Management has set up a policy to require the Company to manage its foreign exchange risk against its functional currency. Exchange rate risk is measured through a forecast of highly probable USD expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of sales revenue.

iii The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025						
(Foreign currency: functional currency)	Sensitivity analysis					
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>						
<u>Monetary items</u>						
JPY:NTD	\$ 662,121	0.20	\$ 131,630	1%	\$ 1,316	-
USD:NTD	2,120	31.38	66,526	1%	665	-
EUR:NTD	2,568	36.70	94,246	1%	942	-
AUD:NTD	184	42.13	7,752	1%	78	-
GBP:NTD	11	20.91	230	1%	2	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 196	31.38	\$ 6,150	1%	\$ 62	-
December 31, 2024						
(Foreign currency: functional currency)	Sensitivity analysis					
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>						
<u>Monetary items</u>						
JPY:NTD	\$ 732,588	0.21	\$ 153,843	1%	\$ 1,538	-
USD:NTD	3,103	32.74	101,592	1%	1,016	-
EUR:NTD	5,566	33.94	188,910	1%	1,889	-
AUD:NTD	276	20.29	5,600	1%	56	-
GBP:NTD	757	40.99	31,029	1%	310	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 369	32.74	\$ 12,081	1%	\$ 121	-

- iv The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024 amounted to gain of \$26,823 thousand and gain of \$13,977 thousand, respectively.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2025, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.

(b) Credit risk

- i Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
- ii The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii The Company is in line with credit risk management procedure to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were highly unrecoverable, there has been a significant increase in credit risk on that instrument since initial recognition, and the specific identification was adopted.
- iv The Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using a provision matrix to estimate the expected credit loss.
- v The Company first evaluates and recognizes impairment losses for individual receivables that have objective evidence that they cannot be collected. For the rest of receivables, the loss rate is established based on historical and timely information for a specific period, and future forward-looking considerations are made to assess the loss allowance for receivables. As of December 31, 2025 and 2024, there was no loss allowance for the above-mentioned individual provision for receivables. The rest of receivables were assessed using expected loss approach, the accumulated loss allowance were all recognised amounting to \$3,575 thousand.

vi Movements in relation to the Company applying the modified approach to provide loss allowance for receivables are as follows:

	2025	2024
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 3,575	\$ 3,575
Reversal of impairment loss	-	-
At December 31	<u>\$ 3,575</u>	<u>\$ 3,575</u>

(c) Liquidity risk

- i Cash flow forecasting is performed in the operating segments of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

December 31, 2025

	Less than 3 <u>months</u>	Between 3 months and <u>1 year</u>	Between 1 and 5 years	<u>Over 5 years</u>	<u>Total</u>
Notes payable	\$ 28,507	\$ -	\$ -	\$ -	\$ 28,507
Notes payable to related parties	57,557	-	-	-	57,557
Accounts payable	25,827	-	-	-	25,827
Accounts payable to related parties	18,852	-	-	-	18,852
Other payables	66,330	8,763	-	-	75,093
Long-term borrowings	19,863	59,380	202,130	-	281,373

Non-derivative financial liabilities

December 31, 2024

	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Notes payable	\$ 23,092	\$ -	\$ -	\$ -	\$ 23,092
Notes payable to related parties	50,342	-	-	-	50,342
Accounts payable	20,577	-	-	-	20,577
Accounts payable to related parties	19,528	-	-	-	19,528
Other payables	55,887	7,792	-	-	63,679
Long-term borrowings	25,923	42,164	274,142	-	342,229

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to statement 1.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on income (loss) before tax.

(3) Reconciliation for segment income (loss)

The totals of segment profit or loss for 2025 and 2024 are the same as the totals of profit or loss before tax from continuing operations; therefore, no reconciliation items are required.

(4) Information on products

The Company's business segment mainly engaged in manufacturing, processing and sales of rubber conveyor belt, rubber sheet, oil resistant, acid-resistant, heat-resistant packer elements and other rubber products. Since the operating revenue, operating profit and identifiable assets used by the segment account for more than 90% of the total operating revenue, total operating profit and total assets, it belongs to one single industry.

(5) Geographical information

Revenue is calculated based on geographic location of customers. Non-current assets are classified based on geographic location of assets and included property, plant and equipment, intangible assets and other non-current asset, but exclude financial instruments, guarantee deposits paid and deferred tax assets. Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
America	\$ 761,726	\$ -	\$ 728,380	\$ -
Asia	375,361	1,414,601	353,023	1,492,815
Europe	430,669	-	351,811	-
Other location	28,722	-	33,182	-
	<u>\$ 1,596,478</u>	<u>\$ 1,414,601</u>	<u>\$ 1,466,396</u>	<u>\$ 1,492,815</u>

(6) Major customer information

Major customer information of the Company for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Revenue	Segment	Revenue	Segment
A	\$ 375,492	Rubber product	\$ 300,816	Rubber product
B	140,203	Rubber product	161,162	Rubber product
C	131,834	Rubber product	130,302	Rubber product
D	130,926	Rubber product	114,729	Rubber product
	<u>\$ 778,455</u>		<u>\$ 707,009</u>	

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Hsin Yung Chien Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2025

Statement 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
HSIN YUNG CHIEN CO., LTD.	CLEP ENTERPRISE CO., LTD.	Other related parties	Purchases	\$ 211,164	28.16%	60 to 95 days after monthly billings	Note 3	Note 3	\$ 76,409	58.44%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Please refer to Note 7(2) for purchase transaction information with Hsin Yung Chien Co., Ltd.

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 1

Item	Description	Amount
Cash on hand		\$ 614
Cash in banks:		-
Checking accounts		5,984
Demand deposits		51,825
Time deposits		301,000
Foreign currency time deposit - JPY	(JPY 483,771 thousand at exchange rate 0.199)	96,173
Foreign currency time deposit - USD	(USD 1,500 thousand at exchange rate 31.380)	47,070
Foreign currency time deposit - EUR	(EUR 430 thousand at exchange rate 36.700)	15,781
Foreign currency deposits - USD	(USD 533 thousand at exchange rate 31.800)	16,735
Foreign currency deposits - EUR	(EUR 5 thousand at exchange rate 36.700)	194
Foreign currency deposits - GBP	(GBP 1 thousand at exchange rate 42.130)	27
Foreign currency deposits - AUD	(AUD 7 thousand at exchange rate 20.910)	149
Foreign currency deposits - JPY	(JPY 53,188 thousand at exchange rate 0.199)	10,574
Foreign currency deposits - CNY	(CNY 5 thousand at exchange rate 4.471)	23
		<u>\$ 546,149</u>

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST-CURRENT
DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Table 2

Name	Description	Shares	Face Value	Total Amount	Interest Rate	Carrying Amount	Accumulated Impairment	Note
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The relevant information about 'financial assets measured at amortized cost - current' is provided in Note 6(2).

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Table 3

Item	Description	Amount		Note
		Cost	Market Value	
Raw materials and supplies		\$ 114,140	\$ 104,287	Replacement cost
Work in progress		16,914	32,230	Net realisable value
Finished goods		160,242	287,482	Net realisable value
Merchandise		<u>3,819</u>	<u>3,819</u>	Net realisable value
		295,115	<u>\$ 427,818</u>	
Less: Allowance for loss on slow-moving inventories and valuation loss		(<u>31,392</u>)		
		<u>\$ 263,723</u>		

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF CHANGES IN COST OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 4

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Collateral</u>	<u>Note</u>
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The relevant information about 'property, plant and equipment' is provided in Note 6(6).

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HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND
EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 5

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Collateral</u>	<u>Note</u>
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The relevant information about 'property, plant and equipment' is provided in Note 6(6).

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HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 6

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
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The relevant information about 'long-term borrowings' is provided in Note 6(10).

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Table 7

Item	Volume	Unit	Amount	Note
Rubber product	10,277	Thousand kilograms	\$ 1,576,006	
Others product	31	Thousand kilograms	32,394	
			1,608,400	
Less: Sales returns			-	
Sales discounts and allowances			(11,922)	
			<u>\$ 1,596,478</u>	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 8

Item	Amount	Note
Cost of goods sold from manufacturing		
Beginning raw materials and supplies	\$ 70,844	
Add: Raw materials purchased	744,254	
Less: Ending raw materials and supplies	(114,140)	
Transferred to related expenses	(3,380)	
Raw materials sold	(4,877)	
Raw materials used for the year	692,701	
Add: Direct labor	52,629	
Manufacturing expense	247,789	
Less: Unamortized manufacturing expenses	(5,844)	
Manufacturing cost	987,275	
Add: Beginning work in progress	17,627	
Less: Ending work in progress	(16,914)	
Transferred to related expenses	(30)	
Cost of finished goods	987,958	
Add: Beginning finished goods	109,204	
Less: Ending finished goods	(160,242)	
Transferred to related expenses	(927)	
Cost of goods manufactured and sold	935,993	
Cost of goods sold from purchase		
Beginning merchandises	795	
Add: Net purchase for the year	5,544	
Less: Ending merchandise inventory	(3,819)	
Cost of purchasing and selling	2,520	
Cost of sales	938,513	
Cost of raw materials sold	4,877	
Add: Unamortized manufacturing expenses	5,844	
Loss on reversal of decline in market value	12,939	
Operating costs	\$ 962,173	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF MANUFACTURING EXPENSES
DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Table 9

Item	Description	Amount	Note
Depreciation expense		\$ 98,382	
Electricity bill		36,378	
Fuel expense		20,589	
Other expenses		92,440	Balance of each client has not exceeded 5% of total account
		<u>\$ 247,789</u>	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 10

Item	Description	Amount	Note
Export expense		\$ 50,747	
Wages and salaries		9,355	
Insurance expense		4,486	
Other expenses		12,050	Balance of each client has not exceeded 5% of total account
		<u>\$ 76,638</u>	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 11

Item	Description	Amount	Note
Wages and salaries		\$ 20,306	
Directors' and supervisors' remuneration		8,763	
Depreciation expense		4,100	
Service expense		3,922	
Other expenses		15,910	Balance of each client has not exceeded 5% of total account
		<u>\$ 53,001</u>	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 12

Item	Description	Amount	Note
Wages and salaries		\$ 3,191	
Samples Expense		934	
Test expense		649	
Service expense		610	
Mold expense		588	
Other expenses		900	Balance of each client has not exceeded 5% of total account
		<u>\$ 6,872</u>	

HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF NET AMOUNT OF OTHER REVENUES AND GAINS AND EXPENSES AND
LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 13

Item	Description	Amount	Note
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The relevant information about 'other gains and losses' is provided in Note 6(19).

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HSIN YUNG CHIEN CO.,LTD.
STATEMENT OF FINANCIAL COST
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 14

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Interest expense	Interest Expense	<u>\$ 2,216</u>	

HSIN YUNG CHIEN CO.,LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Table 15

Year ended December 31, 2025			Year ended December 31, 2024		
Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total

The relevant information about ‘summary statement of current period employee benefits, depreciation, depletion and amortisation expenses by function’ is provided in Note 6(20) 、(21).

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