STOCK CODE：6829

Chenfull Precision Co., Ltd.

2025 Financial Statements

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:

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Chenfull Precision Co., Ltd. Annual Report is available at:

https://www.cfprec.com.tw/

Printed on March 11, 2026

Independent Auditors' Report

The Board of Directors and Shareholders
Chenfull Precision Co., Ltd.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The Key audit matter for the Company's financial statements for the year ended December 31, 2025 are stated as follows:

Assessment of the Authenticity of Revenue from Specific Customers

The sales revenue of The Company consist of optoelectronic and semiconductor equipment components, as well as aerospace components.

After evaluation, the sales revenue from customers meeting specific criteria carries a higher risk and requires manual verification and reconciliation of related documents. This may lead to improper revenue recognition. Additionally, auditing standards presume revenue recognition as a significant risk. Therefore, the authenticity of sales revenue recognition has been identified as a key audit matter. For accounting policies and information related to revenue recognition, please refer to Notes 4(10) and 18 of the financial report.

We performed the following main response procedures for the above-mentioned key audit matter:

1. Understand, evaluate, and test the internal control system for revenue recognition, which is reasonable and effectively implemented.
2. Select a sample of specific customer sales revenue details, verify whether the relevant documents for revenue recognition are consistent, and confirm the authenticity of the sales revenue.
3. Obtain the details of sales returns after the period, randomly select and examine the relevant vouchers, and examine the reasonableness of the returns.

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

Management is responsible for the preparation and fair presentation of the financial Statement 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 endorsed and issued into effect by the Financial Supervisory Commission of the Repulic of China, 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 judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Chien-Ming and Liu, Shu-Lin.

Deloitte & Touche
Taipei, Taiwan
The Republic of China
March 11, 2026

Chenfull Precision Co., Ltd.

BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
Assets	Amount	%	Amount	%
Current Assets				
Cash and cash equivalents (Notes 4, 6, and 24)	$ 237,805	8	$ 269,056	10
Notes receivable (Notes 4, 7, 18, and 24)	74	-	353	-
Accounts receivable (Notes 4, 7, 18, and 24)	415,933	14	384,327	14
Other receivables (Notes 4, 7, and 24)	9,274	-	7,977	-
Inventories (Notes 4 and 8)	389,025	13	408,238	15
Prepayments (Note 12)	7,690	-	22,601	1
Other financial assets - current (Notes 4, 12, 24, and 26)	8,943	-	8,942	1
Other current assets (Note 12)	4,025	-	4,025	-
Total Current Assets	1,072,769	35	1,105,519	41
Non-current assets				
Property, plant and equipment (Note 4, 9, and 25)	1,849,429	60	1,427,932	53
Right-of-use assets (Note 4 and 10)	100,461	3	107,158	4
Intangible assets (Note 4 and 11)	10,732	-	12,959	1
Deferred tax assets (Note 4 and 20)	4,723	-	5,366	-
Other financial assets - non-current (Note 4, 12, 24, and 26)	34,543	1	34,543	1
Other non-current assets (Note 12, 24, and 27)	15,090	1	5,382	-
Total non-current assets	2,014,978	65	1,593,340	59
Total assets	$ 3,087,747	100	$ 2,698,859	100
Liabilities and equity				
Current liabilities				
Short-term borrowings (Note 4, 13, and 24)	$ 330,000	11	$ 100,000	4
Contract liabilities - current (Note 4 and 18)	14,164	-	23,454	1
Notes payable (Note 14 and 24)	240	-	-	-
Accounts payable (Note 14 and 24)	173,404	6	174,962	6
Accounts payable to related parties (Note 14, 24, and 25)	-	-	168	-
Other payables (Note 15 and 24)	256,009	8	164,744	6
Other payables to related parties (Note 15, 24, and 25)	615	-	17	-
Income tax payable (Note 4 and 20)	17,192	1	42,917	2
Lease liabilities - current (Note 4, 10, and 24)	5,830	-	5,651	-
Other current liabilities (Note 15)	1,826	-	1,451	-
Total current liabilities	799,280	26	513,364	19
Non-current liabilities				
Long-term borrowings (Note 4, 13, and 24)	241,808	8	69,458	3
Deferred tax liabilities (Note 4 and 20)	511	-	1,742	-
Lease liabilities - non-current (Note 4, 10, and 24)	103,969	3	109,798	4
Net defined benefit liabilities - non-current (Note 4 and 16)	1,739	-	2,024	-
Other non-current liabilities (Note 15)	41	-	89	-
Total non-current liabilities	348,068	11	183,111	7
Total liabilities	1,147,348	37	696,475	26
Equity (Note 4, 16, and 17)				
Share capital				
Ordinary shares	591,690	19	591,690	22
Capital surplus	972,310	32	972,310	36
Retained earnings				
Legal reserve	118,056	4	84,551	3
Unappropriated earnings	258,343	8	353,833	13
Total retained earnings	376,399	12	438,384	16
Total equity	1,940,399	63	2,002,384	74
Total liabilities and equity	$ 3,087,747	100	$ 2,698,859	100

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

With Deloitte & Touche audit report dated March 11, 2026

Chenfull Precision Co., Ltd.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
Operating revenue (Note 4 and 18)	$ 1,821,605	100	$ 1,519,633	100
Operating costs (Note 4, 8, 16, 19, and 25)	1,325,452	73	985,299	65
Gross profit	496,153	27	534,334	35
Operating expenses (Note 4, 16, 19, and 25)				
Selling and marketing expenses	42,504	2	39,691	3
General and administrative expenses	105,845	6	108,402	7
Research and development expenses	51,094	3	44,790	3
Total operating expenses	199,443	11	192,883	13
Profit from operations	296,710	16	341,451	22
Non-operating income and expenses (Note 4, 19, 21, and 25)				
Interest income	5,080	-	27,400	2
Other income	7,241	1	14,008	1
Other gains and losses	(14,535)	(1)	43,783	3
Finance costs	(5,556)	-	(11,495)	(1)
Total non-operating income and expenses	(7,770)	-	73,696	5
Profit before income tax	288,940	16	415,147	27
Income tax expense (Note 4 and 20)	(55,083)	(3)	(80,015)	(5)
Net Profit for the year	233,857	13	335,132	22

	2025		2024	
	Amount	%	Amount	%
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit plans (Note 4 and 16)	$ 4	-	($ 98)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 4 and 20)	(1)	-	20	-
Other comprehensive income/(loss) for the year	3	-	(78)	-
Total comprehensive income/(loss) for the year	$ 233,860	13	$ 335,054	22
Earnings per share (Note 22)				
From continuing operations				
Basic	$ 3.95		$ 5.66	
Diluted	$ 3.94		$ 5.64	

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

With Deloitte & Touche audit report dated March 11, 2026

Chenfull Precision Co., Ltd.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	Share capital			Retained earnings		
	Number of shares (thousand shares)	Amount	Capital surplus	Legal reserve	Unappropriated earnings	Total equity
Balance as of January 1, 2024	59,169	$ 591,690	$ 972,310	$ 63,822	$ 217,015	$ 1,844,837
Allocation and distribution of 2023 earnings:						
Legal reserve	-	-	-	20,729	(20,729)	-
Cash dividends to shareholders	-	-	-	-	(177,507)	(177,507)
Net income for 2024	-	-	-	-	335,132	335,132
After-tax other comprehensive income for 2024	-	-	-	-	(78)	(78)
Total comprehensive income for 2024	-	-	-	-	335,054	335,054
Balance as of December 31, 2024	59,169	591,690	972,310	84,551	353,833	2,002,384
Allocation and distribution of 2024 earnings:						
Legal reserve	-	-	-	33,505	(33,505)	-
Cash dividends to shareholders	-	-	-	-	(295,845)	(295,845)
Net income for 2025	-	-	-	-	233,857	233,857
After-tax other comprehensive income for 2025	-	-	-	-	3	3
Total comprehensive income for 2025	-	-	-	-	233,860	233,860
Balance as of December 31, 2025	59,169	$ 591,690	$ 972,310	$ 118,056	$ 258,343	$ 1,940,399

The accompanying notes are an integral part of the consolidated financial statements.
With Deloitte & Touche audit report dated March 11, 2026

Chenfull Precision Co., Ltd.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from operating activities		
Profit before income tax	$ 288,940	$ 415,147
Adjustments for:		
Depreciation expense	109,670	110,822
Amortization expense	6,027	4,820
Finance costs	5,556	11,495
Write-down of inventories	-	4,843
Reversal of write-down of inventories	(3,193)	-
Interest income	(5,080)	(27,400)
(Gain)/loss on disposal of property, plant, and equipment	1,477	(1,353)
Realized gains on deferred revenue	(48)	(49)
Changes in operating assets and liabilities		
Notes receivable	279	(353)
Accounts receivable	(31,606)	(133,522)
Other receivables	(1,359)	1,739
Inventories	22,406	(97,978)
Prepayments	14,911	(20,568)
Other current assets	-	(4,025)
Contract liabilities	(9,290)	(14,427)
Notes payable	240	-
Accounts payable	(1,558)	56,256
Accounts payable - related parties	(168)	168
Other payables	(10,497)	28,736
Other payables - related parties	598	(386)
Other current liabilities	375	(180)
Net defined benefit liabilities	(281)	(233)
Cash generated from operations	387,399	333,552
Interest received	5,142	27,936
Income tax paid	(81,397)	(40,265)
Interest paid	(5,226)	(11,415)
Net cash generated from operating activities	305,918	309,808
Cash flows from investing activities		
Payments for property, plant and equipment	(419,858)	(582,863)
Proceeds from disposal of property, plant and equipment	-	1,443
Increase in refundable deposits	(140)	-
Decrease in refundable deposits	-	4,467
Payments for intangible assets	(3,800)	(3,025)
Increase in other financial assets	(1)	(34,544)
Increase in other non-current assets	(14,225)	(4,657)
Net cash used in investing activities	(438,024)	(619,179)

	2025	2024
Cash flows from financing activities		
Proceeds from short-term borrowings	$ 730,000	$ 3,064,000
Repayments of short-term borrowings	(500,000)	(2,964,000)
Proceeds from long-term borrowings	172,350	69,458
Repayment of the principal portion of lease liabilities	(5,650)	(5,477)
Dividends paid	(295,845)	(177,507)
Net cash generated from/(used in) financing activities	100,855	(13,526)
Net decrease in cash and cash equivalents	(31,251)	(322,897)
Cash and cash equivalents at the beginning of the year	269,056	591,953
Cash and cash equivalents at the end of the year	$ 237,805	$ 269,056

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

With Deloitte & Touche audit report dated March 11, 2026

1. GENERAL INFORMATION

ChenFull Precision Co., Ltd. (the "Company") was established on July 20, 2020, and, as of October 1, 2020 (the spin-off base date), succeeded the precision technology business division, including related operations (assets and liabilities), from CHENFULL International Co., Ltd.. The Company's business scope includes the manufacturing, processing, and trading of precision molds, as well as the processing, manufacturing, and trading of various aerospace materials.

The Company's shares have been listed and traded on the Taipei Exchange since March 2022.

This financial report is presented in the Company's functional currency, New Taiwan Dollars (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

3. New standards, amendments and interpretations adopted:

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

1) Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

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

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

As of the date the financial statements were authorized for issue, the Company is continuously assessing the impacts of the amendments on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual

reporting periods beginning on or after their respective effective dates.

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

Current assets include:

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

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

e. Inventories

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

f. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less

accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

g. Intangible Assets

1) Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.
2) Derecognition of intangible asset
On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties, Intangible Assets (excluding Goodwill) and Contract Costs

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

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

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

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

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

a) Measurement category

The financial assets held by the Company are measured at amortized cost.

Financial Assets Measured at Amortized Cost

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

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

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

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

A. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial asset; and
B. Financial assets that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial asset in subsequent reporting periods.

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

b) Impairment of Financial Assets and Contract Assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

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

A. Internal or external information shows that the debtor is unlikely to pay its creditors.
B. When a financial asset is more than one year past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows

from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2)Equity Instruments

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

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

3)Financial Liabilities

(1) Subsequent Measurement

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

(2) Derecognition of Financial Liabilities

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

j. Revenue recognition

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

Sales Revenue

The control of the product is transferred when the customer obtains control over the product. The Company recognizes revenue and Trade receivable when control is transferred.

k. Leasing

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

1) The Company as lessor

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

l. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service

cost (including current service cost, and net interest on the net defined benefit liability (assets)) are recognized as employee benefit expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

o. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes for the year

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

5. Critical accounting judgements and key sources of estimation uncertainty

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

and interest rate fluctuations volatility in financial markets on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 128	$ 86
Checking accounts and demand deposits	143,403	170,631
Cash equivalents (investments with original maturities within 3 months)		
Time deposits	94,274	98,339
	$ 237,805	$ 269,056

The interest rate ranges for bank deposits, time deposits, and repurchase agreements at the balance sheet date are as follows：

	December 31, 2025	December 31, 2024
Cash in bank	0.35%~0.645%	0.65%~4.30%
Time deposits	3.70%	4.35%

7. Notes Receivable, Trade receivable, and Other Receivables

	December 31, 2025	December 31, 2024
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 74	$ 353
Less: Allowance for losses	-	-
	$ 74	$ 353
Trade receivable – Non-related parties		
At amortized cost		
Gross carrying amount	$ 418,810	$ 387,204
Less: Allowance for losses	(2,877)	(2,877)
	$ 415,933	$ 384,327
Other receivables		
Receivable for sales tax refund	$ 8,237	$ 6,504
Interest Receivable	448	510
Others	589	963
	$ 9,274	$ 7,977

A. Notes Receivable

December 31, 2025

	Not overdue	1~90 days overdue	Total
ECL rate	0%	-	
Gross carrying amount	$ 74	$ -	$ 74
Loss allowance (lifetime ECL)	-	-	-
Amortized cost	$ 74	$ -	$ 74

December 31, 2024

	Not overdue	1~90 days overdue	Total
ECL rate	0%	-	
Gross carrying amount	$ 353	$ -	$ 353
Loss allowance (lifetime ECL)	-	-	-
Amortized cost	$ 353	$ -	$ 353

There was no change in the allowance for doubtful accounts for Notes receivable from January 1 to December 31, 2025, and 2024.

B. Trade receivable

Trade receivable measured at amortized cost

The average credit period for the Company's product sales is 60 days from the invoice date. When determining the recoverability of Trade receivable, the Company considers any changes in the credit quality of Trade receivable from the original credit granting date to the balance sheet date. To mitigate credit risk, the Company's management assigns a dedicated team responsible for determining credit limits, approving credit, and performing other monitoring procedures to ensure that appropriate actions are taken for overdue receivables. Additionally, the Company individually reviews the recoverable amounts of receivables as of the balance sheet date to ensure that any irrecoverable receivables are adequately impaired. Therefore, the Company's management believes that the credit risk is significantly reduced.

The Company recognizes an allowance for doubtful accounts based on the expected credit loss over the life of the receivables. The expected credit loss over the life is calculated using a provision matrix, which takes into account the customer's past default records, current financial status, and the industry economic situation. Since the Company's historical experience with credit losses shows no significant differences in loss patterns across different customer groups, the provision matrix does not further differentiate customer groups, but only sets the expected credit loss rate based on the number of days the Trade receivable is overdue.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation or when the debt has been overdue for more than 365 days, the Company will directly write off the related Trade receivable but will continue to pursue recovery. Any amounts recovered from such collections will be recognized in profit or loss.

The Company measures the allowance for doubtful accounts based on the provision matrix as follows:

December 31, 2025

	Non- overdue	Overdue 1~90 days	Overdue 91~180 days	Total
ECLrate	0.68%	4.90%	-	
Gross carrying amount	$ 418,462	$ 348	$ -	$ 418,810
Loss allowance (lifetime ECL)	(2,860)	(17)	-	(2,877)

	Non- overdue	Overdue 1~90 days	Overdue 91~180 days	Total
Amortized cost	$ 415,602	$ 331	$ -	$ 415,933

December 31, 2024

	Non- overdue	Overdue 1~90 days	Overdue 91~180 days	Total
ECLrate	0.66%	5.00%	-	
Gross carrying amount	$ 380,049	$ 7,155	$ -	$ 387,204
Loss allowance (lifetime ECL)	(2,519)	(358)	-	(2,877)
Amortized cost	$ 377,530	$ 6,797	$ -	$ 384,327

There was no change in the allowance for doubtful accounts for Trade receivable from January 1 to December 31, 2025, and 2024.

8. Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 33,275	$ 37,600
Work-in-progress	274,868	299,913
Finished goods	80,882	70,725
	$ 389,025	$ 408,238

Detailed costs of cost of goods sold：

	2025	2024
Cost of sold inventories	$ 1,359,736	$ 1,012,575
Write-down of inventories	-	4,843
Reversal of write-down of inventories	(3,193)	-
Others	(31,091)	(32,119)
	$ 1,325,452	$ 985,299

Recovery on net realizable values of inventories is due to partial inventory price increase.

9. Property, Plant, and Equipment

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in progress	Total
Cost						
Balance as of January 1, 2025	$ 581,528	$ 733,630	$ 1,007,329	$ 287,389	$ 102,959	$ 2,712,835
Addition	-	2,100	5,840	28,089	485,261	521,290
Disposal	-	(2,088)	(1,042)	(3,638)	-	(6,768)
Reclassification	-	-	4,392	265	-	4,657
Balance as of December 31, 2025	$ 581,528	$ 733,642	$ 1,016,519	$ 312,105	$ 588,220	$ 3,232,014
Accumulated depreciation						
Balance as of January 1, 2025	$ -	$ 251,267	$ 795,841	$ 237,795	$ -	$ 1,284,903
Disposal	-	(661)	(1,042)	(3,588)	-	(5,291)
Depreciation expense	-	24,947	56,815	21,211	-	102,973
Balance as of December 31, 2025	$ -	$ 275,553	$ 851,614	$ 255,418	$ -	$ 1,382,585
Net amount as of December 31, 2025	$ 581,528	$ 458,089	$ 164,905	$ 56,687	$ 588,220	$ 1,849,429

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in progress	Total
Cost						
Balance as of January 1, 2024	$ -	$ 733,020	$ 1,010,933	$ 283,519	$ -	$ 2,027,472
Additions	466,387	610	4,848	5,239	102,959	580,043
Disposals	-	-	(11,602)	(1,369)	-	(12,971)
Reclassification	115,141	-	3,150	-	-	118,291
Balance as of December 31, 2024	$ 581,528	$ 733,630	$ 1,007,329	$ 287,389	$ 102,959	$ 2,712,835
Accumulated depreciation						
Balance as of January 1, 2024	$ -	$ 225,327	$ 750,738	$ 217,607	$ -	$ 1,193,672
Disposal	-	-	(11,512)	(1,369)	-	(12,881)
Depreciation expense	-	25,940	56,615	21,557	-	104,112
Balance as of December 31, 2024	$ -	$ 251,267	$ 795,841	$ 237,795	$ -	$ 1,284,903
Net amount as of December 31, 2024	$ 581,528	$ 482,363	$ 211,488	$ 49,594	$ 102,959	$ 1,427,932

For the purpose of plant expansion and business operations, the Company acquired land located at Plot No. 0035-0008, Xinhuang Subsection Xinzhuang Section, Puzi City. The ownership transfer was completed on March 26, 2024, and the land is recorded at a cost of NT$ 581,528 thousand. In addition, a pre-registration of ownership for this land has been filed with the Chiayi County Government.

Depreciation expenses are calculated on a straight-line basis over the following useful lives:

Buildings	
Main buildings	5-56 years
Electrical engineering	20-21 years
Water supply and drainage equipment	10-11 years
Air-conditioning equipment	7-9 years
Others	2-21 years
Machinery equipment	2-11 years
Other equipment	2-11 years

The Company did not recognize or reverse any impairment losses for the years 2025 and 2024.

10.Lease Agreements

A. Right-of-Use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Land	$ 100,461	$ 107,158

	2025	2024
Depreciation expenses of right-of-use assets	$ 6,697	$ 6,710

B. Lease Liabilities

	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	$ 5,830	$ 5,651
Non-current	$ 103,969	$ 109,798

Discount rates of lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Land	3.126%	2.043%

C. Significant Leasing Activities and Terms

The Company leases land for use as a factory, with the lease term from October 2020 to December 2028. Starting from January 2024, the lease payments were adjusted upward. The new lease agreement extends the lease term from January 2024 to December 2040. For land leases in the Republic of China, the lessor has the right to adjust the lease payments according to legal regulations.

D. Other Lease Information

	For the year ended December 31,2025	For the year ended December 31,2024
Expenses from short-term leases	$ 7,552	$ 7,079
Expenses from leases of low-value assets	$ 490	$ 729
Gross cash (outflow) for leases	($ 17,220)	($ 16,987)

The Company leases certain transportation equipment which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

11.Intangible Assets

	Cost of Computer Software
Cost	
Balance as of January 1, 2025	$ 25,204
Addition	3,800
Balance as of December 31, 2025	$ 29,004
Accumulated amortization	
Balance as of January 1, 2025	$ 12,245
Amortization expense	6,027
Balance as of December 31, 2025	$ 18,272
Net amount as of December 31, 2025	$ 10,732
Cost	
Balance as of January 1, 2024	$ 22,668
Addition	3,025
Disposal	(489)
Balance as of December 31, 2024	$ 25,204
Accumulated amortization	
Balance as of January 1, 2024	$ 7,914
Amortization expense	4,820
Disposals	(489)
Balance as of December 31, 2024	$ 12,245
Net amount as of December 31, 2024	$ 12,959

In addition to recognizing amortization expenses, the Company did not experience any significant disposals or impairments of intangible assets in 2025 and 2024.

Amortization expenses are calculated on a straight-line basis over the following useful lives：

Cost of computer software	1-10 years

Aggregated amortization expenses according to functions：

	For the year ended December 31, 2025	For the year ended December 31, 2024
Operating costs	$ 911	$ 939
Operating expenses	5,116	3,881
	$ 6,027	$ 4,820

12. Other Assets

	December 31, 2025	December 31, 2024
Current		
Prepayments		
Prepayments for purchases	$ 6,062	$ 20,565
Others	1,628	2,036
	$ 7,690	$ 22,601
Other financial assets – Current		
Pledged time deposits (Note 26)	$ 8,943	$ 8,942
Other current assets		
Amounts paid on behalf of others	$ 4,025	$ 4,025
Non-current		
Other non-current assets		
Prepaid equipment payments	$ 14,225	$ 4,657
Deposits paid	865	725
	$ 15,090	$ 5,382
Other financial assets – Non-current		
Pledged time deposits (Note 26)	$ 34,543	$ 34,543

As of December 31, 2025, and December 31, 2024, the interest rates for pledged time deposits ranged from 0.665% to 1.69% and from 0.54% to 1.69% per annum, respectively.

13. Borrowings

A. Short-Term Borrowings

	December 31, 2025	December 31, 2024
Unsecured loans		
Bank loans	$ 350,000	$ 100,000

The interest rate on bank loans at December 31, 2025, and 2024 was 1.8%.

B. Long-Term Loans

	December 31, 2025	December 31, 2024
Secured loans		
Bank loans	$ 241,808	$ 69,458
Less: Current portion due within 1 year	-	-
Long-term loans	$ 241,808	$ 69,458

	Maturity Date	Significant Terms	Effective Interest Rate	2025.12.31	2024.12.31
Secured Loans					
Secured New Taiwan Dollar Bank Borrowings from Bank of Taiwan	2034.11.15	The loan has a grace period from Nov 28, 2024, to Dec 15, 2027, during which interest is paid monthly based on the loan principal. From Dec 15, 2027, the principal and interest will be repaid in 84 equal monthly installments. The loan maturity date is Nov 15, 2034.	1.35	$ 69,458	$ 69,458
Secured New Taiwan Dollar Bank Borrowings from Bank of Taiwan	2034.11.15	The loan has a grace period from Apr 14, 2025, to Dec 15, 2027, during which interest is paid monthly based on the loan principal. From Dec 15, 2027, the principal and interest will be repaid in 84 equal monthly installments. The loan maturity date is Nov 15, 2034.	1.35	34,324	-
Secured New Taiwan Dollar Bank Borrowings from Bank of Taiwan	2034.11.15	The loan has a grace period from Jul 31, 2025, to Dec 15, 2027, during which interest is paid monthly based on the loan principal. From Dec 15, 2027, the principal and interest will be repaid in 84 equal monthly installments. The loan maturity date is Nov 15, 2034.	1.35	63,159	-
Secured New Taiwan Dollar Bank Borrowings from Bank of Taiwan	2034.11.15	The loan has a grace period from Aug 29, 2025, to Dec 15, 2027, during which interest is paid monthly based on the loan principal. From Dec 15, 2027, the principal and interest will be repaid in 84 equal monthly installments. The loan maturity date is Nov 15, 2034.	1.35	24,857	-
Secured New Taiwan Dollar Bank Borrowings from Bank of Taiwan	2034.11.15	The loan has a grace period from Nov 4, 2025, to Dec 15, 2027, during which interest is paid monthly based on the loan principal. From Dec 15, 2027, the principal and interest will be repaid in 84 equal monthly installments. The loan maturity date is Nov 15, 2034.	1.35	50,010	-
				241,808	69,458
Less: Current Portion of Long-term Borrowings				-	-
Long-term Loans Payable				$ 241,808	$ 69,458

14. Payables

	December 31, 2025	December 31, 2024
Notes payable		
Operating	$ 240	$ -
Trade payables		
Trade payables – Non-related parties	$ 173,404	$ 174,962
Trade payables – Related parties	$ -	$ 168

The average credit period for purchasing certain goods is 1 to 4 months, with no interest charged on accounts payable. The Company has established a financial risk management policy to ensure that all payables are settled within the pre-agreed credit period.

15. Other Liabilities

	December 31, 2025	December 31, 2024
Current		
Other payables		
Payables for equipment	$ 105,344	$ 3,912
Payables for salaries and premiums	60,301	58,088
Payables for employee compensations	16,741	29,236
Payables for directors and supervisors' compensation	4,020	4,020
Payables for annual leaves	9,236	9,050
Interest Payable	411	81
Others	59,956	60,357
	$ 256,009	$ 164,744
Other payables – Related parties (Note 25)	$ 615	$ 17

	December 31, 2025	December 31, 2024
Other current liabilities		
Receipts under custody	$ 1,777	$ 1,402
Deferred income – current(Note 21)	49	49
	$ 1,826	$ 1,451
Non-current		
Deferred income		
Government grants (Note 21)	$ 41	$ 89

16.Retirement Benefit Plans

A. Defined Contribution Plan

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

B. Defined Benefit Plan

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the Republic of China (ROC). Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 2590	$ 2,700
Fair value of plan assets	(851)	(676)
Net defined benefit liability	$ 1,739	$ 2,024

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

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
January 1, 2025	$ 2,700	($ 676)	$ 2,024
Interest expense (income)	41	(11)	30
Recognized in profit or loss	41	(11)	30
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(40)	(40)
Actuarial losses – changes in financial assumptions	26	-	26
Actuarial losses – experience adjustments	10	-	10
Recognized in other comprehensive income	36	(40)	(4)
Contributions from the employer	-	(124)	(124)
Benefit payments	(187)	-	(187)
December 31, 2025	$ 2,590	($ 851)	$ 1,739
January 1, 2024	$ 2,539	($ 380)	$ 2,159
Interest expense (income)	32	(6)	26
Recognized in profit or loss	32	(6)	26
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(31)	(31)
Actuarial losses – changes in financial assumptions	115	-	115
Actuarial losses – experience adjustments	14	-	14
Recognized in other comprehensive income	129	(31)	98
Contributions from the employer	-	(259)	(259)
December 31, 2024	$ 2,700	($ 676)	$ 2,024

The amounts recognized in profit or loss for the defined benefit plan, summarized by function, are as follows：

	2025	2024
Operating costs	$ 15	$ 13
Research and development expenses	15	13
	$ 30	$ 26

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

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

3. Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31, 2025	December 31, 2024
Discount rate	1.3412%	1.5083%
Expected rate salary increase	2.5000%	2.5000%

The mortality rate is based on the 2021 Taiwan Life Insurance Industry's 6th Experience Life Table.
The disability rate is based on 10% of the expected mortality rate.
The turnover rate is based on the data derived from the Company's historical employee turnover experience, with consideration of future trends, and is used after smoothing.
If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2025	December 31, 2024
Discount rate		
0.25% Increase	($ 73)	($ 80)
0.25% Decrease	$ 76	$ 83
Expected salary increase rate		
0.5% Increase	$ 151	$ 165
0.5% Decrease	($ 141)	($ 155)

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

	December 31, 2025	December 31, 2024
Expected contributions within 1 year	$ 127	$ 129
Average duration of defined benefit obligations	12年	12年

17.Equity

A. Share Capital

Ordinary shares

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	100,000	100,000
Authorized share capital	$ 1,000,000	$ 1,000,000
Shares issued and fully paid(in thousands)	59,169	59,169
Shares capital issued	$ 591,690	$ 591,690

The holders of issued share capital with a par value of $10 are entitled to the right to vote and to receive dividends.

B. Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Additional paid-in capital	$ 972,310	$ 972,310

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital limited to a certain percentage of the Company's capital surplus and to once a year.

C. Retained Earnings and Dividend Policy

According to the Company's Articles of Incorporation regarding the earnings distribution policy, if the Company has profit at the end of the fiscal year, it shall pay taxes in accordance with the law, cover any losses from previous years, and allocate 10% to the legal surplus reserve. However, if the legal surplus reserve has accumulated to the total capital of the Company, no further allocation is required. The remaining profit, after providing for or reversing special surplus reserves or retaining part of the earnings as required by law, along with any accumulated undistributed earnings, will be used by the Board of Directors to propose a shareholder dividend distribution plan based on the Company's dividend policy, subject to approval by the shareholders' meeting, and distributed in proportion to the total number of shares. For the distribution policy of employee compensation and directors' remuneration, refer to Note 19 (7) Employee Compensation and Directors' Remuneration.
The Company's dividend policy aligns with the overall business environment and industry characteristics. Based on the Company's future financial structure and capital budget, and considering profitability, undistributed earnings, and capital reserves, an appropriate dividend distribution will be proposed, aiming for a payout of no less than 50% of the distributable earnings for the year, in order to ensure stable development and maximize shareholder value. The distribution of cash dividends will be no less than 10% of the total dividend for the year.
The legal surplus reserve must be allocated until its balance reaches the total paid-in capital of the Company. The legal surplus reserve may be used to cover losses. When there are no losses, the portion of the legal surplus reserve exceeding 25% of the paid-in capital may be used to increase capital or be distributed in cash.

The Company held its shareholders' meetings on May 23, 2025, and May 29, 2024, respectively, where the earnings distribution plans for 2024 and 2023 were approved as follows:

	Earnings Distribution Plan	
	For the year ended December 31,2024	For the year ended December 31,2023
Legal reserve	$ 33,505	$ 20,729
Cash dividends	$ 295,845	$ 177,507
Cash dividends per share (NTD)	$ 5.0	$ 3.0

The Company's Board of Directors proposed the following earnings distribution plan for 2025 at the meeting on March 11, 2026：

	Earnings Distribution Plan
Legal reserve	$ 23,386
Cash dividends	$ 207,091
Cash dividends per share (NTD)	$ 3.5

The distribution of earnings for 2025 is still pending and is expected to be decided at the annual shareholders' meeting scheduled for May 28, 2026.

18.Revenue

	For the year ended December 31, 2025	For the year ended December 31, 2024
Sales of goods revenue	$ 1,821,605	$ 1,519,633

A. Explanation of Customer Contracts

Sales of goods revenue

The products are transferred when the customer obtains control of the product. The Company recognizes revenue and Trade receivable when control is transferred.

B. Contract Balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 7)	$ 74	$ 353	$ -
Trade receivable (Note 7)	$ 415,933	$ 384,327	$ 250,805
Sales of goods	$ 14,164	$ 23,454	$ 37,881

C. Breakdown of Revenue from Customer Contracts

2025

	Taiwan	USA	Singapore	Others	Total
Aerospace components	$ 176,483	$ 330,311	$ -	$ -	$ 506,794
Optoelectronic and semiconductor equipment components	719,929	20,936	573,946	-	1,314,811
	$ 896,412	$ 351,247	$ 573,946	$ -	$1,821,605

2024

	Taiwan	USA	Singapore	Others	Total
Aerospace components	$ 177,592	$ 314,930	$ -	$ -	$ 492,522
Optoelectronic and semiconductor equipment components	345,479	2,612	677,430	1,590	1,027,111
	$ 523,071	$ 317,542	$ 677,430	$ 1,590	$1,519,633

19. Net Income from Continuing Operations

A. Interest Income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Bank deposits	$ 5,054	$ 9,361
Repurchase agreements collaterized by bonds	-	18,010
Others	26	29
	$ 5,080	$ 27,400

B. Other Income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Lease income		
Operating lease rental income - Others	$ 1,046	$ 1,032
Government subsidy income	4,870	10,561
Others	1,325	2,415
	$ 7,241	$ 14,008

C. Other Gains and Losses

	For the year ended December 31, 2025	For the year ended December 31, 2024
Gain/(loss) on disposal of proprety, plant, and equipment	($ 1,477)	$ 1,353
Net foreign exchange gains/(losses)	(11,918)	42,430
Others	(1,140)	-
	($ 14,535)	$ 43,783

D. Financial Costs

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest on lease liabilities	$ 3,528	$ 3,702
Interest on short-term notes payable	-	37
Interest on bank loans	4,767	7,820
Less: Amount included in the cost of qualifying assets	(2,739)	(64)
	$ 5,556	$ 11,495

The information related to interest capitalization is as follows：

	For the year ended December 31, 2025	For the year ended December 31, 2024
Capitalized interest amount	$ 2,739	$ 64
Interest capitalization rate	1.35%	1.35%

E. Depreciation and Amortization

	For the year ended December 31, 2025	For the year ended December 31, 2024
Property, plant and equipment	$ 102,973	$ 104,112
Right-of-use assets	6,697	6,710
Computer software cost	6,027	4,820
	$ 115,697	$ 115,642
Depreciation expense summarized by function		
Operating costs	$ 104,715	$ 105,380
Operating expenses	4,955	5,442
	$ 109,670	$ 110,822

	For the year ended December 31, 2025	For the year ended December 31, 2024
Amortization expense summarized by function		
Operating costs	$ 911	$ 939
Operating expenses	5,116	3,881
	$ 6,027	$ 4,820

F. Employee Welfare Expenses

	For the year ended December 31, 2025	For the year ended December 31, 2024
Post-retirement benefits		
Defined contribution plan	$ 15,439	$ 13,981
Defined benefit plan (Note 16)	30	26
	15,469	14,007
Other employee benefits	422,026	397,324
Total employee benefits expense	$ 437,495	$ 411,331
Summarized by function		
Operating costs	$ 322,503	$ 291,238
Operating expenses	114,992	120,093
	$ 437,495	$ 411,331

G. Employee Compensation and Directors' Remuneration

The Company allocates employee compensation and directors' remuneration based on the pre-tax profit for the year, with an allocation rate of no less than 2% for employee compensation and no more than 2% for directors' and supervisors' remuneration.

In accordance with the amendments issued by the Stock Exchange in August 2024, the Company amended its Articles of Incorporation as approved at the 2025 shareholders' meeting, stipulating that not less than 10% of the employee compensation appropriated for the current year shall be allocated as compensation to grassroots employees.

The employee compensation and directors' remuneration for 2025 and 2024 were approved by the Board of Directors on March 11, 2026, and March 3, 2025, respectively, as follows:

Estimated Proportion

	For the year ended December 31, 2025	For the year ended December 31, 2024
Employee compensation	5.41%	6.52%
Directors' remuneration	1.30%	0.90%

Amount

	For the year ended December 31, 2025	For the year ended December 31, 2024
	Cash	Cash
Employee compensation	$ 16,741	$ 29,236
Directors' remuneration	4,020	4,020

If there are changes in amounts after the annual financial report has been approved for release, they will be processed according to the changes in accounting estimates and adjusted in the next year's accounting records.

There is no difference between the actual distribution amounts of employee compensation and directors' remuneration approved by the Board of Directors for 2024 and 2023 and the amounts recognized in the 2024 and 2023 financial reports.

For information regarding employee compensation and directors' remuneration approved by the Company's Board of Directors, please refer to the "Market Observation Post System" on the Taiwan Stock Exchange website.

20. Continuing Operations Income Tax

A. The main components of income tax expense recognized in profit or loss are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Current income tax		
Incurred in the current year	$ 56,178	$ 75,370
Adjustments from prior years	(506)	(642)
Deferred income tax	55,672	74,728
Incurred in the current year		
Income tax expense recognized in profit or loss	(589)	5,287
Current income tax	$ 55,083	$ 80,015

The reconciliation of accounting income and income tax expense is as follows：

	For the year ended December 31, 2025	For the year ended December 31, 2024
Pre-tax profit of continuing operations	$ 288,940	$ 415,147
Income tax expense computed on pre-tax profit at the statutory rate (20%)	$ 57,788	$ 83,029
Investment tax credits applied in the current period	(2,560)	(2,386)
Adjustment in the current year for current income tax expense of prior years	(506)	(642)
Non-deductible expenses for tax purposes	361	14
Income tax expense recognized in profit or loss	$ 55,083	$ 80,015

B. Income Tax Recognized in Other Comprehensive Income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Deferred income tax		
Incurred in the current year		
- Remeasurement of defined benefit plan	($ 1)	$ 20
Income tax benefit/(losses) recognized in other comprehensive income	($ 1)	$ 20

C. Current Income Tax Liabilities

	December 31, 2025	December 31, 2024
Current income tax liabilities		
Income taxes payable	$ 17,192	$ 42,917

D. Deferred Income Tax Assets and Liabilities

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

2025

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary differences				
Unrealized cost of sales	$ 3,024	$ 16	$ -	$ 3,040
Accrued vacation benefits	451	37	-	488
Unrealized inventory write-downs	789	(638)	-	151
Defined benefit retirement plan	1,102	(57)	(1)	1,044
	$ 5,366	($ 642)	($ 1)	$ 4,723
Deferred income tax liabilities				
Temporary differences				
Unrealized exchange gain or loss	($ 1,380)	$ 1,231	$ -	($ 149)
Allowance for doubtful accounts	(362)	-	-	(362)
	($ 1,742)	$ 1,231	$ -	($ 511)

2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary differences				
Unrealized cost of sales	$ 3,413	($ 389)	$ -	$ 3,024
Accrued vacation benefits	186	265	-	451
Unrealized exchange gain or loss	4,637	(4,637)	-	-
Unrealized inventory write-downs	-	789	-	789
Defined benefit retirement plan	1,129	(47)	20	1,102
	$ 9,365	($ 4,019)	$ 20	$ 5,366
Deferred income tax liabilities				
Temporary differences				
Unrealized exchange gain or loss	$ -	($ 1,380)	$ -	($ 1,380)
Allowance for doubtful accounts	(294)	(68)	-	(362)
Unrealized inventory write-up benefit	(180)	180	-	-
	($ 474)	($ 1,268)	$ -	($ 1,742)

The Company's corporate income tax filings have been assessed and approved by the tax authorities for all years up to 2023, except for the 2024 filing.

21. Government grants

In November 2019, the Company received a government subsidy of NT$390 thousand for power and public equipment. This amount was recorded as deferred revenue and recognized in profit or loss over the useful life of the related assets. On October 1, 2020, the Company acquired NT$345 thousand from CHENFULL International Co., Ltd. through a spin-off. This amount was also recorded as deferred revenue and recognized in profit or loss over the useful life of the related assets.

The Company recognized revenue are NT$48 thousand and NT$49 thousand in 2025 and 2024 respectively.

In December 2025 and 2024, the Company received a transformation subsidy of NT$4,870 thousand and NT$10,561 thousand, respectively, from the Ministry of Economic Affairs under the "Special Act for Post-Pandemic Economic and Social Resilience Enhancement and Universal Economic Sharing" and the "MOEA Program for Promoting Industrial and SME Upgrading and Transformation." This

amount was recorded under other income.

22.Earnings Per Share

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

Net profit for the year

	2025	2024
Earnings used in the computation of basic earnings per share	$ 233,857	$ 335,132
Earnings used in the computation of diluted earnings per share	$ 233,857	$ 335,132

Number of shares

Unit: Thousand Shares

	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings per share	59,169	59,169
Effect of potentially dilutive ordinary shares	193	261
Weighted average number of ordinary shares used in the computation of diluted earnings per share	59,362	59,430

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

23. Capital Risk Management

The company manages its capital to ensure that it can continue as a going concern, by optimizing the balance between debt and equity to maximize shareholder returns.

The company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital reserves, retained earnings, and other equity items).

The company is not subject to any other external capital requirements.

The company’s senior management reviews the capital structure annually, considering the cost of different types of capital and the associated risks. Based on the recommendations of senior management, the company balances its overall capital structure through methods such as paying dividends, issuing new shares, repurchasing shares, and issuing new debt or repaying old debt.

24.Financial instruments

A. Fair Value Information - Financial Instruments Not Measured at Fair Value

The company’s management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

B. Categories of Financial Instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortized cost (Note 1)	$ 706,572	$ 705,198
Deposit for guarantees	865	725
Financial liabilities		
Amortized cost (Note 2)	907,785	405,373

Note 1: The balance includes financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, Trade receivable, other receivables, and other financial assets.
Note 2: The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables (including related parties, excluding payables for employee benefits), and long-term borrowings.

C. Financial Risk Management Objectives and Policies

The company's risk management objectives are primarily focused on managing market risk, credit risk, and liquidity risk related to its operational activities. The company identifies, measures, and manages these risks according to the group's policies and risk preferences.

For managing the aforementioned financial risks, the company has established appropriate policies, procedures, and internal controls in accordance with relevant regulations. Significant financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the financial management activities, the company must strictly adhere to the established financial risk management regulations.

1. Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer to (1) below) and interest rates (refer to (2) below).

(1) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 28.

Sensitivity Analysis

The company was mainly exposed to the U.S. dollar.

The table below details the sensitivity analysis for the company when the New Taiwan Dollar (functional currency) appreciates or depreciates by 1% against the relevant foreign currencies. The 1% is the sensitivity ratio used internally by the company to report exchange rate risks to the senior management, and it represents management's reasonable assessment of possible exchange rate fluctuations. A positive number in the table indicates the amount by which pre-tax profit or equity will increase when the New Taiwan Dollar depreciates by 1% against the relevant foreign currencies; conversely, the same amount would be a negative impact when the New Taiwan Dollar appreciates by 1%.

	Impact of USD	
	2025	2024
Profit or loss	$ 4,208	$ 4,695

(2) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to fluctuations in the fair value or future cash flows of financial instruments.

As of the balance sheet date, the carrying amounts of financial assets and financial liabilities subject to interest rate risk are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
- Financial assets	$ 137,697	$ 141,762
- Financial liabilities	439,799	215,449
Cash flow interest rate risk		
- Financial assets	143,466	170,693
- Financial liabilities	241,808	69,458

Sensitivity Analysis

The company's fixed-rate financial assets and financial liabilities measured at amortized cost are not included in this analysis; the sensitivity analysis regarding interest rate risk is calculated based on the financial assets on the balance sheet date. The company considers a market interest rate increase/decrease of 0.25% as a reasonable risk assessment for reporting interest rate changes to management. With all other variables held constant, a 0.25% increase/decrease in market interest rates would result in a pre-tax profit increase/decrease of NT$246 thousand for the period from January 1 to December 31, 2025, and NT$253 thousand for the same period in 2024.

2. Credit Risk

The Company only makes transaction with companies with good credits based on the policy. Collaterals held as security are required in some necessary situations to lower the risk of financial loss. In order to lower the credit risk, the controls about determining and approving the line of credit have been made to ensure accounts receivable overdue being received. Furthermore, the Company reviews the recoverable amount of accounts receivable at the balance sheet date to make sure that proper credit loss has been taken into consideration for those unrecoverable accounts receivable. Therefore, the Company considers credit risk has decreased significantly and, therefore, is limited.

The company's credit risk is primarily concentrated among its top five customers. As of December 31, 2025, and December 31, 2024, receivables from the top five customers accounted for 86% and 91% of total receivables, respectively, while the credit concentration risk of the remaining receivables is relatively insignificant.

3. Liquidity Risk

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

(1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2025

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Notes payable	$ 240	$ -	$ -	$ -	$ 240
Accounts payable	173,404	-	-	-	173,404
Lease liabilities	9,179	9,179	9,179	110,148	137,685
Other payables	161,922	-	-	-	161,922
Borrowings	330,411	2,879	34,544	204,385	572,219
	$ 675,156	$ 12,058	$ 43,723	$ 314,533	$ 1,045,470

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

	Less than 1 year	1 to 3 years	3 to 6 years	More than 6 years	Total
Lease liabilities	$ 9,179	$ 18,358	$ 27,537	$ 82,611	$ 137,685

December 31, 2024

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	$ 175,130	$ -	$ -	$ -	$ 175,130
Lease liabilities	9,179	9,179	9,179	119,327	146,864
Other payables	60,704	-	-	-	60,704
Borrowings	169,539	-	-	-	169,539
	$ 414,552	$ 9,179	$ 9,179	$ 119,327	$ 552,237

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

	Less than 1 year	1 to 3 years	3 to 6 years	More than 6 years	Total
Lease liabilities	$ 9,179	$ 18,358	$ 27,537	$ 91,790	$ 146,864

(2)Financing facilities

	December 31, 2025	December 31, 2024
Unsecured bank overdraft facility (reviewed annually)		
- Amount used	$ 341,463	$ 111,977
- Amount unused	988,537	1,268,023
	$ 1,330,000	$ 1,380,000
Secured bank overdraft facility (reviewed annually)		
- Amount used	$ 241,808	$ 69,458
- Amount unused	1,358,192	1,530,542
	$ 1,600,000	$ 1,600,000

25.Related party transactions

The parent company of the company is CHENFULL International Co., Ltd., which held 63% of the company's common stock as of December 31, 2025, and December 31, 2024.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follow:

A. Related party

Related party name.	Relationship with the company
CHENFULL International Co., Ltd.	Parent company of the Company
Chenfeng Machinery (Dongguan) Co., Ltd.	Sister company of the company

B. Purchase

Related party name	2025	2024
Sister company of the company	$ -	$ 168

The transaction prices and payment terms for goods purchased from related parties by the company are not significantly different from those of general vendors.

(1) Accounts payable to related parties (excluding loans from related parties).

Item	Related party category/name.	December 31, 2025	December 31, 2024
Accounts payable	Sister company of the company	$ -	$ 168
Other payables	Parent company of the Company	$ 615	$ 17

(2) Lease agreement

Lease expense

Lessor	Subject of lease	Lease and rental payment method	2025	2024
Parent company of the company	Parent company of the company	Monthly rent of NT$400,000, payable monthly	$ 4,800	$ 4,800
Parent company of the company	Office	Monthly rent of NT$10,000, payable monthly	$ 120	$ 120

(3) Lease agreement

The total amount of lease payments to be received in the future is summarized as follows：

Related party category	December 31, 2025	December 31, 2024
Parent company of the company	$ 72	$ 72

The lease income is summarized as follows：

Lessee	Subject of lease	Rent collection method	2025	2024
Parent company of the company	Equipment room	Monthly rent of NT$8,000, payable monthly	$ 96	$ 96

(4) Other related party transactions

Account item	Related party category	2025	2024
Operating expenses	Parent company of the Company	$ 506	$ -
Manufacturing expenses	Parent company of the Company	$ 1,779	$ 1,002
Other income	Parent company of the Company	$ 3	$ 15

(5) Acquired property, plant, and equipment

	Purchase Price	
Related party category/name	2025	2024
Parent company of the company	$ -	$ 300

(6) Key Management Personnel Compensation

	2025	2024
Short-term employee benefits	$ 9,871	$ 8,576
Post-employment benefits	176	108
	$ 10,047	$ 8,684

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

26. Pledged Assets

The following assets of the company are pledged as performance guarantees required for land development and business operations:

	December 31, 2025	December 31, 2024
Other financial assets - current		
Pledged time deposit	$ 8,943	$ 8,942
Other financial assets - non-current		
Pledged time deposit	34,543	34,543
	$ 43,486	$ 43,485

27. Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those disclosed in other notes, significant commitments of the Company were as follows:

(1) As of December 31, 2025, the company has issued guarantee notes amounting to NT$2,481,463 thousand due to credit facilities and business performance.

(2) As of December 31, 2025, the company has guarantee notes amounting to NT$186,769 thousand issued by suppliers for performance or warranty guarantees.

(3) The company has contractual commitments with various suppliers to purchase equipment and for plant renovations, with a total contract value of NT$1,574,853 thousand. As of December 31, 2025, NT$602,445 thousand has been paid (recorded as construction-in-progress real estate and prepayments for equipment).

28. Foreign Currency Assets and Liabilities with Significant Impact

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

December 31, 2025

	Foreign Currency	Exchange Rate	Book Value
Financial assets			
Monetary items			
US Dollar	$ 13,837	31.430 (USD:NTD)	$ 434,889
EUR Dollar	37	36.900 (EUR:NTD)	$ 1,359
Financial liabilities			
Monetary items			
US Dollar	$ 449	31.430 (USD:NTD)	$ 14,098
EUR Dollar	27	36.900 (EUR:NTD)	$ 981

December 31, 2024

	Foreign Currency	Exchange Rate	Book Value
Financial assets			
Monetary items			
US Dollar	$ 14,396	32.785 (USD:NTD)	$ 471,958
EUR Dollar	11	36.900 (EUR:NTD)	$ 377
Financial liabilities			
Monetary items			
US Dollar	75	32.785 (USD:NTD)	$ 2,457
EUR Dollar	3	36.900 (EUR:NTD)	$ 104

The significant unrealized foreign exchange losses were as follows:

	2025		2024	
Currency	Exchange Rate	Net Exchange Gains/Losses	Exchange Rate	Net Exchange Gains/Losses
USD	31.430 (USD:NTD)	($ 11,902)	32.785 (USD:NTD)	$42,435

29. Disclosure Notes

(1) Information on Significant Transactions

(2) Information on Investees

No.	Content	Explanation
1	Financing provided to others	None
2	Endorsements/guarantees provided	None
3	Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures)	None
4	Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital	None
5	Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital	None
6	Intercompany relationships and significant intercompany transactions	None

(3) Information on investments in mainland China

No.	Item	Explanation
1	Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area.	None
2	Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:	
	(1)The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.	None
	(2)The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.	None
	(3)The amount of property transactions and the amount of the resultant gains or losses.	None
	(4)The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.	None
	(5)The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.	None
	(6)Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.	None

30.Departmental Information

Information provided to the primary operating decision-makers to allocate resources and evaluate department performance, focusing on the types of products or services delivered or provided.

(1) Departmental Revenue and Operating Results

The revenue and operating results of the company's continuing operations are analyzed by reportable segments as follows:

	Aerospace Components	Optoelectronic and Semiconductor Equipment Components	Total
January 1 to December 31, 2025			
Revenue from external customers	$ 506,794	$ 1,314,811	$ 1,821,605
Interdepartmental revenue	-	-	-
Consolidated revenue	$ 506,794	$ 1,314,811	$ 1,821,605
Segment profit and loss (excluding headquarters management costs)	$ 242,261	$ 253,892	$ 496,153
Headquarters management costs			(203,230)
Segment profit and loss			296,710
Interest income			5,080
Other income			$ 7,241
Other gains and losses			(14,535)
Finance costs			(5,556)
Profit before tax from continuing operations			$ 288,940
January 1 to December 31, 2024			
Revenue from external customers	$ 492,522	$ 1,027,111	$ 1,519,633
Interdepartmental revenue	-	-	-
Consolidated revenue	$ 492,522	$ 1,027,111	$ 1,519,633
Segment profit and loss (excluding headquarters management costs)	$ 240,884	$ 293,450	$ 534,334
Headquarters management costs			(192,883)
Segment profit and loss			341,451
Interest income			27,400
Other income			$ 14,008
Other gains and losses			43,783
Finance costs			(11,495)
Profit before tax from continuing operations			$ 415,147

Departmental Profit refers to the profit earned by each department, excluding the allocation of headquarters management costs, share of profit or loss from affiliates accounted for using the equity method, interest income, profit or loss from the disposal of real estate, plants, and equipment, foreign currency exchange gains (losses), financial costs, and income tax expenses. This measure is provided to the primary operating decision-makers to allocate resources to departments and evaluate their performance.

(2) Major Customer Information

Revenue from a single customer that accounts for more than 10% of total revenue is as follows：

2025	2024

A1 Customer	$ 582,168	$ 683,523
B Customer	330,311	314,096
E Customer	300,119	70,047
C Customer	274,764	179,443
D Customer	175,508	176,239
	$ 1,662,870	$ 1,423,348

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Chenfull Precision Co., Ltd.

Cash and Cash Equivalents Schedule

December 31, 2025

Schedule1 Unit: NT$ thousand

Item	Summary	Amount
Cash		
Petty Cash		$ 128
Bank Deposits		
Checks and Current Deposits		143,403
Cash Equivalents		
Time Deposits		94,274
		$ 237,805

Chenfull Precision Co., Ltd.

Notes Receivable Schedule

December 31, 2025

Schedule2 Unit: NT$ thousand

Customer Name	Summary	Amount
Non-related Party		
Marketech International Corp.	Operating Revenue	$ 74
Less: Allowance for Doubtful Accounts		-
		$ 74

Chenfull Precision Co., Ltd.

Trade receivable Schedule

December 31, 2025

Schedule3 Unit: NT$ thousand

Customer Name	Summary	Amount
Non-related Party Receivables		
Customer A1	Operating Revenue	$ 98,633
Customer E	〃	95,554
Customer B	〃	67,385
Customer C	〃	57,966
Customer D	〃	44,912
Customer F	〃	25,397
Others (Note)	〃	28,963
		418,810
Less: Allowance for Doubtful Accounts		(2,877)
		$ 415,933

Note: The balance of individual vendors does not exceed 5% of this account.

Chenfull Precision Co., Ltd.

Inventory Schedule

December 31, 2025

Schedule4 Unit: NT$ thousand

Item	Book Value	Market Value(Note)
Raw Materials	$ 50,832	$ 33,402
Work in Progress	281,756	749,102
Finished Goods	85,821	138,393
	418,409	$ 920,897
Less: Provision for Inventory Write-down and Obsolete Losses	(29,384)	
	$ 389,025	

Note: The company's inventory is measured at the lower of cost and net realizable value, and should be compared individually except for inventory of the same category.

Chenfull Precision Co., Ltd.

Prepayments Schedule

December 31, 2025

Schedule5 Unit: NT$ thousand

Item	Summary	Amount
Prepaid Goods Payments		$ 6,062
Prepaid Insurance		520
Other Prepaid Expenses (Note)		1,108
		$ 7,690

Note: The balance of individual vendors does not exceed 5% of this account.

Chenfull Precision Co., Ltd.

Right-of-Use Assets Changes Schedule

January 1 to December 31, 2025

Schedule6 Unit: NT$ thousand

Name	Land
Cost	
Beginning Balance	$138,101
Ending Balance	$138,101
Accumulated Depreciation	
Beginning Balance	$ 30,943
Depreciation Expense	6,697
Ending Balance	$ 37,640
Net Amount at Year-End	$100,461

Chenfull Precision Co., Ltd.

Accounts Payable Schedule

December 31, 2025

Schedule7 Unit: NT$ thousand

Customer Name	Summary	Amount
Non-related Party Receivables		
Hochon Stainless Steel International Co,Ltd.	Goods Payment	$ 14,927
Sun Vac Technology Inc.	〃	12,416
Others (Note)	〃	146,061
		$ 173,404

Note: The balance of individual vendors does not exceed 5% of this account.

Chenfull Precision Co., Ltd.

Lease Liabilities Schedule

December 31, 2025

Schedule8 Unit: NT$ thousand

Item	Summary	Lease Period	Discount Rate	Ending Balance	Remarks
Land	Zhongke Factory Land	113/1/1~129/12/31	3.126%	$ 109,799	
Less: Classified as Current Portion				(5,830)	
Lease Liability - Non-current				$ 103,969	

Chenfull Precision Co., Ltd.

Cost of Goods Sold Schedule

January 1 to December 31, 2025

Schedule9 Unit: NT$ thousand

Item	Summary	Amount
Manufacturing Cost	Beginning Inventory	$ 54,263
	Purchases	177,387
	Ending Inventory	(50,832)
	Raw Material Sales	(174)
	Other	12,291
	Material Used	192,935
	Direct Labor	198,838
	Manufacturing Expenses	716,087
	Manufacturing Cost	1,107,860
Work in Progress	Beginning Work in Progress	306,964
	Purchases	306,075
	Ending Work in Progress	(281,756)
	Other	(105,106)
	Work in Progress Sales	(1,006)
	Finished Goods Cost	1,333,031
Finished Goods	Beginning Finished Goods	79,588
	Purchases	1,974
	Other	(907)
	Ending Finished Goods	(85,821)
	Manufacturing Cost of Goods Sold	1,327,865
	Cost of Raw Material Sales	174
	Cost of Work in Progress Sales	1,006
	Other	30,691
Reversal of write-down of inventories		(3,193)
Raw Material Sale Income		(27,350)
Waste Material Sale Income		(3,741)
		$ 1,325,452

Chenfull Precision Co., Ltd.

Operating Expenses Schedule

January 1 to December 31, 2025

Schedule 10 Unit: NT$ thousand

Item	Sales Expenses	Administrative Expenses	Research and Development Expenses	Total
Salaries (including pensions, etc.)	$ 10,740	$ 53,036	$ 30,062	$ 93,838
Insurance expense	1,201	5,686	3,220	10,107
Freight Expenses	8,062	94	46	8,202
Employee Benefits	4	6,949	6	6,959
Labor Costs	-	2,738	4,320	7,058
Research Expenses	-	-	6,756	6,756
Packaging Costs	19,106	-	-	19,106
Other Expenses (Note)	3,391	37,342	6,684	47,417
	$ 42,504	$ 105,845	$ 51,094	$ 199,443

Note: The amounts for each account do not exceed 5% of the respective category.

Chenfull Precision Co., Ltd.

Comprehensive Schedule of Employee Benefits, Depreciation, and Amortization Expenses by Function Incurred During the Period

January 1 to December 31, 2025, and 2024

Schedule 11

Unit: NT$ thousand, unless otherwise specified

	2025			2024		
	Included in Operating Costs	Included in Operating Expenses	Total	Included in Operating Costs	Included in Operating Expenses	Total
Employee Benefit Expenses (Note)						
Salary Expenses	$ 263,178	$ 85,763	$ 348,941	$ 239,166	$ 93,625	$ 332,791
Labor and Health Insurance Expenses	31,055	9,220	40,275	27,066	7,952	35,018
Pension Expenses	11,414	4,055	15,469	10,475	3,532	14,007
Directors' Remuneration	-	4,020	4,020	-	4,020	4,020
Other Employee Benefit Expenses	16,856	11,934	28,790	14,531	10,964	25,495
	$ 322,503	$ 114,992	$ 437,495	$ 291,238	$ 120,093	$ 411,331
Depreciation Expenses	$ 104,715	$ 4,955	$ 109,670	$ 105,380	$ 5,442	$ 110,822
Amortization Expenses	$ 911	$ 5,116	$ 6,027	$ 939	$ 3,881	$ 4,820

1. As of December 31, 2025, and December 31, 2024, the number of employees in the company was 531 and 494, respectively. The number of directors who were not concurrently employees was seven in both years.
2. Companies listed on the stock exchange or traded over-the-counter are required to disclose the following information:

(1) The average employee benefit expense for the current year was NT$827 thousand, calculated as (Total employee benefit expenses for the current year – Total directors' remuneration) / (Total number of employees for the current year – Number of directors who were not concurrently employees).

The average employee benefit expense for the previous year was NT$836 thousand, calculated using the same formula.

(2) The average employee salary expense for the current year was NT$666 thousand, calculated as (Total salary expenses for the current year) / (Total number of employees for the current year – Number of directors who were not concurrently employees).

The average employee salary expense for the previous year was NT$683 thousand, calculated using the same formula.

(3) The percentage change in average employee salary expenses was 2.49%, calculated as (Average employee salary expense for the current year – Average employee salary expense for the previous year) / Average employee salary expense for the previous year.

(4) The remuneration for supervisors was NT$0 thousand for both the current year and the previous year.

(5) The company's salary and compensation policy (covering directors, supervisors, managers, and employees) is as follows:

1. Employee Salary and Compensation Policy:

(1) Salaries, bonuses, and incentives are implemented based on the company's compensation system. At the end of each fiscal year, an annual bonus may be distributed before the Lunar New Year, depending on the company's operating performance.

(2) A certain percentage of annual operating profits is allocated as employee compensation to share the company's success with employees. Article 21 of the company's Articles of Incorporation stipulates that "employee compensation shall not be less than 2% of the current year's profit and may be distributed in stock or cash. The recipients may include employees of subsidiary companies who meet certain conditions.

2.Board members, supervisors, and executives compensation policy:

The Company's compensation for board members, supervisors, and executives is determined by the Compensation Committee based on their level of participation and contribution to the company's operations, referencing industry standards, and not exceeding the maximum salary grade set by the company's salary regulations.

Article 19 of the company’s articles of incorporation also stipulates that if the company is profitable in the current year, board and supervisor compensation shall not exceed 2% of the current year’s profits.

According to the Company’s Compensation Committee’s regulations, the performance evaluation and compensation for board members, supervisors, and executives shall reference industry standards and consider individual performance evaluation results, time invested, responsibilities, achievement of personal goals, performance in other positions, recent compensation given to individuals in equivalent positions, as well as the achievement of short- and long-term business goals, company financial status, and the relationship between individual performance and company operational performance and future risks.