IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Financial Statements and Independent Auditor's Report
Years Ended December 31, 2025, and 2024

(Stock Code: 2250)

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IKKA Holdings (Cayman) Limited and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

Years Ended December 31, 2025, and 2024

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Independent Auditor's Report

(115)-Cai-Sheng-Bao No. 25005254

To the Board of Directors and Shareholders of IKKA Holdings (Cayman) Limited:

Opinion

We have audited the accompanying consolidated balance sheets of IKKA Holdings (Cayman) Limited and its subsidiaries (hereinafter referred to as "the Group") for the years 2025 and 2024, as well as consolidated statements of comprehensive income, changes in equity, and cash flows, and notes on the consolidated financial statements (including a summary of key accounting policies) for the years then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position, performance, and cash flows of the Group for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Statement on Internal Control (SIC) Interpretations as endorsed by the Financial Supervisory Commission (FSC).

Basis for opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards of the R.O.C. Our responsibilities under those standards are further described in the Auditors' responsibilities for auditing consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and we have fulfilled other ethical responsibilities as required. We believe that the audit evidence we have obtained is sufficient and proper to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group’s 2025 consolidated financial statements are as follows:

Assessment of the allowance for inventory valuation loss

Description

Refer to Note 4(14) for accounting policy, 5(2) for significant accounting estimates and assumption uncertainty, and 6(6) for account description. On December 31, 2025, the balances of inventories and loss allowances for inventory revaluation were NT$ 388,025 thousand and NT$ 29,996 thousand, respectively.

The Group is primarily engaged in the manufacturing and sales of automobiles, multi-function printers, and precision plastic components for household facilities. Due to rapid technological changes, short product life cycles, and fierce market competition, there is a higher risk of inventory losses or obsolescence. The net realizable value is based on the sales and purchase prices in the regular course before the balance sheet date. The net realizable value not sold after a certain period of age and individually identified obsolete inventory is calculated based on sales and discount history.

Since the amount of inventory is material, types are various, information sources in calculating each net realizable value are many, and the identification of obsolete and damaged inventory and its net realizable value are subject to management’s judgment, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

To assess the net realizable value and the adequacy of allowance for losses, we performed the following procedures:

1. Based on our understanding of the nature of operations and industry, we assessed if the policy on allowance for losses during the comparative reporting periods was proper and consistent.
2. Evaluate the reasonableness of obsolete and damaged inventories, and delayed delivery due to weakened market demand, along with supporting documents.
3. We examined the management process, reviewed the annual plan, and participated in the annual process to assess the effectiveness of the management’s identification and control of obsolete or damaged inventory.
4. We obtained the aged inventory report and sampled storage quantity to test the properness of classification, and then, based on the policy, assessed the correctness of

the allowance for obsolescence losses.

5. We obtained a net realizable value report, confirmed the consistency of calculation logic, and randomly checked the sales and purchase prices of materials based on the supporting documents.

Emphasis of matter － reorganization of entities under common control

As stated in Note 12(4) to the consolidated financial statements, the Group acquired 100% of the equity interest in Shine Trade International Ltd., which is controlled by Prosper Plastic Factory (HK) Co., Ltd., in exchange for cash. The aforementioned transaction constitutes a reorganization of entities under common control and shall be regarded as a merger from the outset. Therefore, the Group has restated the 2025 consolidated financial statements for the comparative periods retrospectively. We have not modified our audit opinion in respect of this matter.

Responsibilities of management and governing bodies for consolidated financial statements

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, IFRIC, and SIC Interpretations as endorsed by the FSC, management is responsible for the preparation and fair presentation of consolidated financial statements for internal control as deemed necessary to be free from material misstatement due to fraud or error.

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

The governing bodies (including the Audit Committee) are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for auditing consolidated financial statements

Our objectives are to obtain reasonable assurance on whether consolidated financial statements are free from material misstatement due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the Auditing Standards will always detect a material misstatement from fraud or error, and is considered material if, individually or in the aggregate, expected to influence the economic decisions on the basis of these consolidated financial statements.

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

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

We communicate with the governing bodies on the planned scope and timing of the audit and key findings, including deficiencies in internal control identified.

We also provide the governing bodies with a statement that we have complied with ethical requirements on independence and communicate with them all relevant relationships, safeguards, and other matters where applicable. We then determine and disclose key audit matters in our auditors' report unless precluded by law or regulation, or doing so could outweigh the public interest benefits due to adverse consequences in extremely rare circumstances.

From the matters communicated with those charged with governance, we have determined key audit matters of the Group's 2025 consolidated financial statements. We have disclosed these matters in our auditors' report unless precluded by law or regulation or doing so could outweigh the public interest benefits due to adverse consequences in extremely rare circumstances.

PwC Taiwan

Man-Yu, Ruan-Lu

CPA:

Yi-Tai, Tsai

Former Financial Supervisory Commission (FSC) of the Executive Yuan
Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 0990058257
Financial Supervisory Commission (FSC)
Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1080323093

March 11, 2026

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Balance Sheet
As of December 31, 2025, December 31 and January 1, 2024

Unit: NTD thousand

	Assets	Note	December 31, 2025 Amount	%	(Adjusted) December 31, 2024 Amount	%	(Adjusted) January 1, 2024 Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	$ 1,355,163	38	$ 1,364,048	35	$ 1,012,469	27
1136	Financial assets at amortized cost – current	6(3) and 8	64,338	2	96,078	3	59,085	2
1150	Notes receivable, net	6(5)	92,504	3	14,677	-	25,407	1
1170	Accounts receivable, net	6(5)	638,091	18	897,121	23	987,603	27
1180	Accounts receivable – related parties, net	6(5) and 7	6,002	-	6,993	-	8,953	-
1200	Other receivables		4,632	-	3,887	-	4,874	-
130X	Inventories	6(6)	358,029	10	356,448	9	382,720	10
1410	Prepayments	7	37,076	1	30,922	1	38,339	1
1470	Other current assets	6(7)	34,416	1	45,526	1	44,866	1
11XX	**Total current assets**		2,590,251	73	2,815,700	72	2,564,316	69
	Non-current assets							
1510	Financial assets at fair value through profit or loss – non-current	6(2)	-	-	704	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current	6(4)	44,878	1	34,792	1	86,460	2
1600	Property, plant and equipment	6(8)	689,062	19	768,253	19	739,781	20
1755	Right-of-use assets	6(9) and 7	158,221	4	219,920	6	262,367	7
1780	Intangible assets	6(10)	3,046	-	2,822	-	2,232	-
1840	Deferred tax assets		52,661	2	41,839	1	42,025	1
1900	Other non-current assets		29,563	1	32,247	1	34,581	1
15XX	**Total non-current assets**		977,431	27	1,100,577	28	1,167,446	31
1XXX	**Total assets**		$ 3,567,682	100	$ 3,916,277	100	$ 3,731,762	100

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IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Balance Sheet
As of December 31, 2025, December 31 and January 1, 2024

Unit: NTD thousand

	Liabilities and Equity	Note	December 31, 2025 Amount	%	(Adjusted) December 31, 2024 Amount	%	(Adjusted) January 1, 2024 Amount	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 208,134	6	$ 217,497	6	$ 368,155	10
2130	Contract liabilities － current	6(22)	2,030	-	12,427	-	3,013	-
2150	Notes payable	6(12)	85,954	2	137,533	4	136,053	4
2170	Accounts payable		344,542	10	412,894	11	425,236	11
2180	Accounts payable － related parties	7	-	-	19,491	1	15,168	1
2200	Other payables	6(14)	257,457	7	291,734	7	325,680	9
2220	Other payables － related parties	7	371	-	164	-	1,842	-
2230	Income tax liabilities for the period		76,218	2	66,556	2	78,985	2
2280	Lease liabilities － current		26,394	1	57,871	1	55,907	2
2320	Long-term liabilities due within one year or one operating cycle	6(15)	34,471	1	49,727	1	52,104	1
2399	Other current liabilities － other		27,329	1	14,161	-	12,713	-
21XX	**Total current liabilities**		1,062,900	30	1,280,055	33	1,474,856	40
	Non-current liabilities							
2530	Bonds payable	6(13)	-	-	97,790	2	-	-
2540	Long-term borrowings	6(15)	114,530	3	155,754	4	212,699	6
2570	Deferred tax liabilities		16,585	1	17,308	-	19,930	-
2580	Lease liabilities － non-current		110,827	3	140,983	4	183,671	5
2600	Other non-current liabilities	6(16)	157,471	4	177,577	5	187,499	5
25XX	**Total non-current liabilities**		399,413	11	589,412	15	603,799	16
2XXX	**Total liabilities**		1,462,313	41	1,869,467	48	2,078,655	56
	Equity attributable to owners of the parent							
	Share capital	6(18)						
3110	Ordinary share capital		363,882	10	332,036	9	294,524	8
	Capital surplus	6(19)						
3200	Capital surplus		1,110,072	32	1,042,305	26	802,772	21
	Retained earnings	6(20)						
3320	Special reserve		87,227	2	96,219	2	65,313	2
3350	Unappropriated retained earnings		695,569	19	672,870	17	598,910	16
	Other equity							
3400	Other equity		(151,381)	(4)	(87,227)	(2)	(96,219)	(3)
31XX	**Total equity attributable to owners of the parent**		2,105,369	59	2,056,203	52	1,665,300	44
35XX	**Equity attributable to former owner of business combination under common control**		-	-	(29,516)	(1)	(12,193)	-
36XX	**Non-controlling interests**	6(21)	-	-	20,123	1	-	-
3XXX	**Total equity**		2,105,369	59	2,046,810	52	1,653,107	44
	Material contingent liabilities and unrecognized contractual commitments	9						
	Significant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 3,567,682	100	$ 3,916,277	100	$ 3,731,762	100

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Shiang-Chi Hu　　Manager: Masami Obara　　Chief Accounting Officer: Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand
(except for earning per share, which is in NTD)

	Item	Note	2025 Amount	2025 %	(Adjusted) 2024 Amount	(Adjusted) 2024 %
4000	Operating revenue	6(22) and 7	$ 3,388,172	100	$ 3,687,628	100
5000	Operating cost	6(6)(27) and 7	(2,811,908)	(83)	(2,965,694)	(80)
5900	Gross profit		576,264	17	721,934	20
	Operating expense	6(27) and 7				
6100	Selling expense		(104,696)	(3)	(115,942)	(3)
6200	Administrative expenses		(275,795)	(8)	(344,179)	(10)
6300	Research and development expenses		(33,729)	(1)	(36,372)	(1)
6450	Expected credit impairment gains	12	211	-	136	-
6000	Total operating expenses		(414,009)	(12)	(496,357)	(14)
6900	Net operating income		162,255	5	225,577	6
	Non-operating income and expenses					
7100	Interest income	6(23)	12,663	-	10,287	-
7010	Other income	6(24)	2,991	-	2,993	-
7020	Other gains and losses	6(25)	9,427	-	38,412	1
7050	Financial costs	6(26)	(12,814)	-	(18,849)	-
7000	Total non-operating income and expenses		12,267	-	32,843	1
7900	**Net income before tax**		174,522	5	258,420	7
7950	Income tax expense	6(28)	(50,842)	(1)	(88,892)	(3)
8200	**Net income for this period**		$ 123,680	4	$ 169,528	4
	Other comprehensive income					
	Items not reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans		$ 7,102	-	($ 892)	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	6(4)	(417)	-	(32,122)	(1)
8349	Income tax relating to items not reclassified	6(28)	-	-	3,537	-
8310	Total amount of items not reclassified to profit or loss		6,685	-	(29,477)	(1)
	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		(62,785)	(2)	51,453	2
8360	Total amount of items that may subsequently be reclassified to profit or loss		(62,785)	(2)	51,453	2
8300	**Other comprehensive income, net**		($ 56,100)	(2)	$ 21,976	1
8500	**Total comprehensive income for this period**		$ 67,580	2	$ 191,504	5
	Net income attributable to:					
8610	Owners of the parent		$ 139,271	4	$ 191,666	4
8615	Equity attributable to former owner of business combination under common control		(11,136)	-	(17,359)	-
8620	Non-controlling interests		(4,455)	-	(4,779)	-
			$ 123,680	4	$ 169,528	4
	Total comprehensive income attributable to:					
8710	Owners of the parent		$ 82,368	2	$ 214,200	5
8715	Equity attributable to former owner of business combination under common control		(10,563)	-	(17,323)	-
8720	Non-controlling interests		(4,225)	-	(5,373)	-
			$ 67,580	2	$ 191,504	5
	Basic earnings per share	6(31)				
9710	Owners of the parent		$	3.99	$	6.17
9720	Equity attributable to former owner of business combination under common control		(	0.32)	(	0.56)
9750	Basic earnings per share		$	3.67	$	5.61
	Diluted earnings per share	6(31)				
9810	Owners of the parent		$	3.94	$	5.78
9820	Equity attributable to former owner of business combination under common control		(	0.31)	(	0.51)
9850	Diluted earnings per share		$	3.63	$	5.27

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Shiang-Chi Hu　　Manager: Masami Obara　　Chief Accounting Officer: Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

		Equity attributable to owners of the parent									
				Retained earnings		Other equity					
	Note	Ordinary share capital	Capital surplus	Special reserve	Unappropriated retained earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Equity attributable to former owner of business combination under common control	Non-controlling interests 6(21)	Total equity
2024											
Balance on January 1, 2024		$ 294,524	$ 802,772	$ 65,313	$ 598,910	($ 127,530)	$ 31,311	$ 1,665,300	$ -	$ -	$ 1,665,300
Retroactive adjustment for the reorganization of entities under common control		-	-	-	-	-	-	-	(12,193)	-	(12,193)
Adjusted balance as at January 1, 2024		294,524	802,772	65,313	598,910	(127,530)	31,311	1,665,300	(12,193)	-	1,653,107
Net income for this period		-	-	-	191,666	-	-	191,666	(17,359)	(4,779)	169,528
Other comprehensive income (loss) for this period		-	-	-	(892)	52,011	(28,585)	22,534	36	(594)	21,976
Total comprehensive income for this period		-	-	-	190,774	52,011	(28,585)	214,200	(17,323)	(5,373)	191,504
Earnings appropriation and distribution in 2023:	6(20)										
Special reserve appropriated		-	-	30,906	(30,906)	-	-	-	-	-	-
Cash dividends		-	-	-	(100,246)	-	-	(100,246)	-	-	(100,246)
Proceeds from issuing shares	6(18)	18,200	91,000	-	-	-	-	109,200	-	-	109,200
Proceeds from issuing shares retain employee subscription remuneration costs		-	3,239	-	-	-	-	3,239	-	-	3,239
Share-based payment – employee stock options	6(17)	2,600	7,223	-	(96)	-	-	9,727	-	-	9,727
Conversion of convertible bonds		16,712	113,891	-	-	-	-	130,603	-	-	130,603
Convertible corporate bonds in issue recognized as components of equity – share options	6(13)	-	24,180	-	-	-	-	24,180	-	-	24,180
Disposal of equity instruments at fair value measurement through other comprehensive income	6(4)	-	-	-	14,434	-	(14,434)	-	-	-	-
Changes in equity of subsidiaries	6(29)	-	-	-	-	-	-	-	-	25,496	25,496
Balance on December 31, 2024		$ 332,036	$ 1,042,305	$ 96,219	$ 672,870	($ 75,519)	($ 11,708)	$ 2,056,203	($ 29,516)	$ 20,123	$ 2,046,810
2025											
Balance on January 1, 2025		$ 332,036	$ 1,042,305	$ 96,219	$ 672,870	($ 75,519)	($ 11,708)	$ 2,056,203	($ 29,516)	$ 20,123	$ 2,046,810
Net income for this period		-	-	-	139,271	-	-	139,271	(11,136)	(4,455)	123,680
Other comprehensive income (loss) for this period		-	-	-	7,102	(63,588)	(417)	(56,903)	573	230	(56,100)
Total comprehensive income for this period		-	-	-	146,373	(63,588)	(417)	82,368	(10,563)	(4,225)	67,580
Earnings appropriation and distribution in 2024:	6(20)										
Reversal of special reserve		-	-	(8,992)	8,992	-	-	-	-	-	-
Cash dividends		-	-	-	(116,213)	-	-	(116,213)	-	-	(116,213)
Stock dividends		16,602	-	-	(16,602)	-	-	-	-	-	-
Share-based payment – employee stock options	6(17)	2,855	6,939	-	-	-	-	9,794	-	-	9,794
Conversion of convertible bonds		12,389	85,009	-	-	-	-	97,398	-	-	97,398
Disposal of equity instruments at fair value measurement through other comprehensive income	6(4)	-	-	-	149	-	(149)	-	-	-	-
Reorganization	6(30)	-	(24,181)	-	-	-	-	(24,181)	40,079	(15,898)	-
Balance on December 31, 2025		$ 363,882	$ 1,110,072	$ 87,227	$ 695,569	($ 139,107)	($ 12,274)	$ 2,105,369	$ -	$ -	$ 2,105,369

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Shiang-Chi Hu | Manager: Masami Obara | Chief Accounting Officer: Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

	Note	For the year ended December 31, 2025	(Adjusted) For the year ended December 31, 2024
Cash flow from operating activities			
Net income before tax for the current period		$ 174,522	$ 258,420
Adjustments			
Income and expenses			
Depreciation expense	6(8)(27)	126,473	125,816
Depreciation expense (including right-of-use assets)	6(9)(27)	55,970	59,821
Amortization expense	6(10)(27)	946	1,057
Expected credit reversal gain	12(2)	(211)	(136)
Interest expense	6(26)	7,132	7,658
Interest expense (lease liabilities)	6(26)	5,286	7,293
Interest expense (amortized bonds payable)	6(26)	396	3,898
Interest income	6(23)	(12,663)	(10,287)
Dividend income	6(24)	(238)	(177)
Share-based payment compensation costs	6(17)	-	3,787
Loss on disposal of property, plant and equipment	6(25)	2,959	1,362
Lease modification gain	6(9)	(7)	(1)
Loss on redemption of convertible bonds	6(13)	24	-
Net loss (gain) on financial assets and liabilities at fair value through profit or loss		192	(2,248)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		(77,827)	10,730
Accounts receivable (including related parties)		260,237	108,283
Other receivables		(837)	4,180
Inventories		(7,832)	55,082
Prepayments		(6,178)	7,417
Other current assets		11,110	(660)
Other non-current assets		747	401
Net changes in liabilities related to operating activities			
Contract liabilities		(10,397)	9,414
Notes payable		(44,960)	1,480
Accounts payable (including related parties)		(87,843)	(10,081)
Other payables		(33,716)	(23,115)
Other current liabilities		13,168	1,448
Other non-current liabilities		(23,787)	(7,800)
Cash inflow from operations		352,666	613,042
Interest collected		12,663	10,287
Dividends received		238	177
Interest paid	6(32)	(12,698)	(19,303)
Income tax paid		(52,288)	(107,566)
Net cash inflow from operating activities		300,581	496,637

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IKKA Holdings (Cayman) Limited and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand

	Note	For the year ended December 31, 2025	(Adjusted) For the year ended December 31, 2024
Cash flow from investing activities			
Acquisition of financial assets at fair value through other comprehensive income		($ 11,205)	($ 4,000)
Disposal of financial assets at fair value through other comprehensive income		702	23,338
Acquisition of financial assets measured at amortized cost		-	(31,568)
Disposal of financial assets measured at amortized cost		29,913	-
Acquisition of property, plant and equipment	6(32)	(75,557)	(152,979)
Intangible assets acquired	6(10)	(1,132)	(1,647)
Disposal of real property, plant and equipment		3,461	2,004
Decrease in guarantee deposits		29	1,963
Increase in prepayments for equipment		(911)	(2,226)
Net cash outflow from investing activities		(54,700)	(165,115)
Cash flow from financing activities			
Decrease in short-term borrowings	6(33)	-	(151,374)
Repayment of long-term borrowings	6(33)	(50,353)	(52,108)
Other payables – related parties decreased		-	(1,699)
Increase (decrease) in guarantee deposits received		(9)	234
Cash dividends paid	6(20)	(116,213)	(100,246)
Repayment of lease principal	6(33)	(56,886)	(57,594)
Bond issuance	6(33)	-	251,250
Redemption of bonds	6(33)	(300)	-
Proceeds from issuing shares	6(18)	-	109,200
Issuance of new shares by a subsidiary to non-controlling interests as part of a capital increase	6(21)(29)	-	25,496
Employee stock options exercised		9,794	9,179
Net cash inflow (outflow) from financing activities		(213,967)	32,338
Effect of exchange rate changes		(40,799)	(12,281)
Increase (decrease) in cash and cash equivalents for this period		(8,885)	351,579
Opening balance of cash and cash equivalents		1,364,048	1,012,469
Ending balance of cash and cash equivalents		$ 1,355,163	$ 1,364,048

The notes attached are part of the Consolidated Financial Statements and shall be read together.

Chairman: Shiang-Chi Hu　　Manager: Masami Obara　　Chief Accounting Officer: Yen-Shou Chiang

IKKA Holdings (Cayman) Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousand
(Unless Otherwise Specified)

I. Company History

IKKA Holdings (Cayman) Limited (hereinafter referred to as the "Company") was incorporated in April 2016 in the Cayman Islands with its registered office at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands, and was restructured in January 2020. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") mainly engage in the export, import, manufacturing, and sale of precision plastic injection molding parts and products; production of mold sets; manufacturing of molds, machinery, and precision ceramics injection molding parts. Jabon International Co., Ltd. (hereinafter referred to as "Jabon International") is the parent of the Group and holds 34.45% equity of the Company, and ABICO AVY Co., Ltd (hereinafter referred to as "ABICO") is the parent holding 100% of Jabon International. CHIA MEI INVESTMENT CO., LTD. is the ultimate parent company of the Group.

II. Authorization Date and Procedures for Financial Statements

The consolidated financial statements were approved and announced by the Board of Directors on March 11, 2026.

III. Implementation of New Standards, Amendments, and Interpretations

(I) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards("IFRS") Accounting Standards as endorsed by the Financial Supervisory Commission ("FSC")

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards as endorsed and issued by the FSC in 2025:

New/Revised/Amended Standards and Interpretations	Effective date by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the assessment of the Group.

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

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards endorsed and issued by the FSC in 2026:

New/Revised/Amended Standards and Interpretations	Effective date 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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 & 9 – Comparative Information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

The above standards and interpretations have no significant impact on the Group’s financial condition and financial performance based on the assessment of the Group, except for the following:

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

With the amendment, equity instruments irrevocably designated at Fair Value Through Other Comprehensive Income (FVOCI) require entities to disclose their fair value by category, without the need to disclose fair value information for each instrument. Additionally, fair value gains and losses recognized in other comprehensive income during the reporting period should be disclosed separately as the fair value gains and losses related to investments derecognized during the reporting period, and the fair value gains and losses related to investments still held as of the end of the reporting period; as well as the cumulative gains and losses transferred to equity during the reporting period due to the derecognition of investments.

(III) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards issued by the IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective date by IASB
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)
IFRS 19 "Disclosure of Non-publicly Accountable Subsidiaries"	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note: The FSC announced in a press release on September 25, 2025, that publicly listed companies shall adopt IFRS 18 starting from 2028, with the option to early adoption upon the endorsement of IFRS 18 by the FSC.

The above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the assessment of the Group, except for the following:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure of Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosure of management performance measures, and strengthens the principles of aggregation and disaggregation applied to the primary financial statements and notes.

IV. Summary of Key Accounting Policies

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

(I) Compliance Statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed and promulgated by the FSC (collectively referred herein as the "IFRSs").

(II) Basis of Preparation

1. Except for the following items, the Consolidated Financial Statements have been prepared on the historical cost basis:

(1) Financial assets and liabilities (including derivative instruments) at fair value through

profit or loss.

(2) Financial assets at fair value through other comprehensive income.

(3) Net defined benefit liabilities recognized by pension fund assets less the present value of defined benefit obligations.

2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. Management is also required to exercise its judgment in the process of applying the accounting policies of the Group. The items involving a higher degree of judgment or complexity, or items where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(III) Basis for Consolidation

1. Principles for preparation of consolidated financial statements

(1) All subsidiaries are included in the Consolidated Financial Statements of the Group. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and could affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

2. Subsidiaries included in the Consolidated Financial Statements:

			Shareholding (%)			
Name of investor	Name of subsidiary	Business category	December 31, 2025	December 31, 2024	January 1, 2024	Remark
The Company	DaiichiKasei Co., Ltd. (DaiichiKasei)	Manufacturing precision plastic injection molding parts and molding sets, molds and machinery, and precision ceramics molding parts	100.00	100.00	100.00	-
The Company	Sol-Plus (HK) Co., Limited. (Sol-Plus HK)	Investment business	100.00	100.00	100.00	-
DaiichiKasei Co., Ltd.	M.A.C. Technology (Malaysia) Sdn. Bhd. (M.A.C. Technology)	Assembly and manufacturing of CD and CD-ROM, computer printers, precision ceramics and molds for electronic and industrial use, and plastic injection components for the electronic and camera industries	100.00	100.00	100.00	-
DaiichiKasei Co., Ltd.	IKKA Technology (Vietnam) Co., Ltd. (IKKA Vietnam)	Production, operation, and processing of automobiles and common plastic and metal parts for office equipment	100.00	100.00	100.00	-
DaiichiKasei Co., Ltd.	IKKA (Hong Kong) Co., Ltd.(IKKA HK)	Investment and trade	100.00	100.00	100.00	-
IKKA (Hong Kong) Co., Ltd.	IKKA Technology DongGuan Co., Ltd. (IKKA Technology DongGuan)	Production and sale of precise plastic accessories, hardware accessories, bearings, and molds	100.00	100.00	100.00	-
IKKA (Hong Kong) Co., Ltd.	Shine Trade International Ltd.(Shine Trade)	Manufacturing and selling plastic products and molds	100.00	71.43	100.00	Note
Shine Trade International Ltd.	Dongguan Ashine Precision Plastics Co., Ltd. (Dongguan Ashine)	Manufacturing and selling plastic products and molds	100.00	100.00	100.00	Note
Sol-Plus (HK) Co., Limited. (Sol-Plus HK)	Sol-Plus Co., Ltd. (Sol-Plus JP)	Manufacturing and selling plastic products and molds	100.00	100.00	100.00	-
Sol-Plus Co., Ltd. (Sol-Plus JP)	Hiraiseimitsu(Thailand) Co., Ltd. (Hiraiseimitsu)	Manufacturing and selling plastic products and molds	100.00	100.00	100.00	-

Note: On September 11, 2025, with the approval of the Chairman, the Group acquired 100% of the equity interest in Shine Trade from the related party Prosper Plastic Factory (HK) Co., Ltd. for US$1 on November 1, 2025. As this constitutes a reorganization under common control, Shine Trade should be treated as having been included in the Group's consolidated financial statements from the outset, and the consolidated financial statements for the comparative periods should be restated.

3. Subsidiaries not included in the Consolidated Financial Statements: None.

4. Adjustment and treatment methods of subsidiaries' different accounting periods: None.

5. Major restrictions: None.

6. Subsidiaries with non-controlling interests that are material to the Group:

(1) Information on non-controlling interests that are material to the Group and the subsidiaries:

Name of subsidiary	Principal place of business	Non-controlling interests			
		December 31, 2025		December 31, 2024	
		Amount	Shareholding	Amount	Shareholding
Shine Trade	British Virgin Islands	$ -	-	$20,123	28.57%

Name of subsidiary	Principal place of business	Non-controlling interests	
		January 1, 2024	
		Amount	Shareholding
Shine Trade	British Virgin Islands	$ -	-

(2) Aggregate subsidiary financial information:

Balance Sheet

	Shine Trade and its subsidiaries		
	December 31, 2025	December 31, 2024	January 1, 2024
Current Assets	$ 11,250	$ 26,341	$ 14,953
Non-current assets	42,126	54,110	60,465
Current liabilities	(40,749)	(42,634)	(38,862)
Non-current liabilities	(40,018)	(47,210)	(48,749)
Total net assets	($ 27,391)	($ 9,393)	($ 12,193)

Statement of Comprehensive Income

	Shine Trade and its subsidiaries	
	2025	2024
Income	$ 28,470	$ 26,073
Net income before tax	(18,824)	(22,138)
Income tax expense	-	-
Net income for this period	(18,824)	(22,138)
Other comprehensive income (net of tax)	(826)	(558)
Total comprehensive income for this period	($ 19,650)	($ 22,696)
Total comprehensive income attributable to non-controlling interests	($ 4,225)	($ 5,373)

Statement of cash flow

	Shine Trade and its subsidiaries	
	2025	2024
Net cash outflow from operating activities	($ 9,072)	($ 9,756)
Net cash inflow (outflow) from investing activities	38	(106)
Net cash inflow (outflow) from financing activities	(4,585)	21,033
Effect of exchange rate changes on cash and cash equivalents	(584)	1,486
Increase (decrease) in cash and cash equivalents for the period	(14,203)	12,657
Opening balance of cash and cash equivalents	21,138	8,481
Ending balance of cash and cash equivalents	$ 6,935	$ 21,138

(IV) Foreign currency exchange

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan dollars", which is the functional currency of the Company.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation, where items are

remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(3) Non-monetary assets and liabilities denominated in foreign currencies held in assets and liabilities are re-translated using the exchange rates prevailing at the dates of the transactions. For balances denominated in fair value, the re-translation is also based on the exchange rates prevailing at the dates of the transactions. Balances denominated in other comprehensive income liabilities follow the same process. Balances denominated in assets and liabilities are re-translated at the exchange rates prevailing at the dates of the transactions. For balances that are not denominated in fair value, re-translation is done using the historical exchange rates at the dates of the initial transactions.

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

2. Translation of foreign operations

The results of operations and financial position of all entities of the Group with a functional currency different from the presentation currency are converted into the presentation currency in the following manner:

(1) Assets and liabilities expressed in each balance sheet are converted at the closing rate on the date of the balance sheet;

(2) Income and expenses expressed in each consolidated statement of income are converted at average exchange rates for the period; and

(3) All exchange differences arising from the translation are recognized in other comprehensive income.

(V) Classification of assets and liabilities as current or noncurrent

1. Assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:

(1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

(2) Liabilities arising mainly from trading activities.

(3) Assets that are expected to be realized within twelve months from the balance sheet date.

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance

sheet date.

The Group classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:

   (1) Liabilities that are expected to be settled within the normal operating cycle;

   (2) Liabilities arising mainly from trading activities.

   (3) Liabilities that are to be settled within twelve months from the balance sheet date;

   (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

   The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash equivalents

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

(VII) Financial assets at fair value through profit or loss

1. Financial assets classified as held for trading are those acquired principally for the purpose of selling in the near term, as well as derivatives that are not designated as hedging instruments under hedge accounting.

2. The Group measures these assets at fair value upon initial recognition, with related transaction costs recognized in profit or loss. Subsequently, they are measured at fair value, with any gains or losses recognized in profit or loss.

(VIII) Financial assets at fair value through other comprehensive income

1. Financial assets at fair value through other comprehensive income comprise equity securities, which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs and subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group,

and the amount of the dividend can be measured reliably.

(IX) Financial assets at amortized cost

1. Financial assets at amortized cost are those that meet all of the following criteria:
   (1) The financial assets are held within a business model whose objective is to collect contractual cash flows.
   (2) The contractual cash flows of the financial assets represent solely payments of principal and interest on the outstanding principal.
2. The Group adopts trade date accounting for financial assets measured at amortized cost in compliance with transaction practices.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Subsequently, interest income is recognized using the effective interest method during the period outstanding, and impairment losses are recognized when incurred. Gains or losses on derecognition are recognized in profit or loss.
4. The time deposits that do not fall under cash equivalents are those with a short maturity period and are measured at the initial investment amount, as the effect of discounting is immaterial.

(X) Accounts and notes receivable

1. It refers to accounts and notes that, under the terms of the contract, represent an unconditional right to receive consideration in exchange for transferring goods or rendering services.
2. The short-term accounts and notes receivable without bearing interest are measured at an initial invoice amount, as the effect of discounting is immaterial.
3. The business model for the sale of accounts receivable aims to achieve its objective through both collecting contractual cash flows and selling these assets. When accounted for at fair value, any changes are recognized as other comprehensive income.

(XI) Impairment of financial assets

At each balance sheet date, the Group measures financial assets at amortized cost, after taking into account all reasonable and supportable information (including forward-looking statements), if the exposure to credit risk has not increased significantly since the initial recognition of the financial assets, the allowance for losses is measured by the amount of expected credit losses for the 12-month period. If the credit risk has increased significantly since the initial recognition, the allowance for losses is measured by the amount of expected credit losses for the remaining period. For accounts receivable that do not contain significant financial components, the allowance for losses is measured at the amount of expected credit losses over the remaining period.

(XII) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

1. The contractual rights to receive the cash flows from the financial asset expire.
2. The contractual rights to receive cash flows of the financial asset have been transferred, and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
3. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(XIII) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease, net of any incentives given to the lessee, is recognized in profit or loss on a straight-line basis over the lease term.

(XIV) Inventories

Inventories are measured at the lower of cost and net realizable value, while cost is determined by the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads, but excludes borrowing costs. The item-by-item approach is adopted in comparing the lower cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

(XV) Property, plant and equipment

1. Property, plant, and equipment are initially recorded at cost.
2. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Except for that land is not depreciated, other properties, plants, and equipment apply the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Individual components of property, plant, and equipment that are material are depreciated separately.
4. The residual values, useful lives, and depreciation methods of assets are reviewed and adjusted at the end of each fiscal year. If expectations for the residual values and useful lives of the assets differ from previous estimates, or the consumption patterns of the future

economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in accounting estimates under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant, and equipment are as follows:

Building and structures	7-65 years
Machinery and equipment	2-10 years
Transportation equipment	2-10 years
Office equipment	2-5 years
Other equipment	2-20 years

(XVI) Leasing arrangements (lessee) – right-of-use assets/lease liabilities

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The lease liability is subsequently measured at amortized cost using the interest method and recognized interest expense over the lease term. When changes in the lease term or lease payments are caused by factors other than a contract modification, the lease liability is remeasured, with any remeasurement amount adjusted against the right-of-use asset.
3. Right-of-use assets are recognized at cost at the inception date of the lease. The cost is the initial measurement amount of the lease liability and is subsequently measured using the cost model. Depreciation expense is recognized over the earlier of the useful life of the right-of-use asset or the lease term. When a lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.
4. For lease modifications that reduce the scope of the lease, the lessee reduces the carrying amount of the right-of-use asset to reflect partial or full termination of the lease and recognizes the difference between that amount and the amount by which the lease liability is remeasured in profit or loss.

(XVII) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(XVIII) Impairment of non-financial assets

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

(XIX) Loans

Loans comprise long-term and short-term bank loans. Loans are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the loans using the effective interest method.

(XX) Notes and accounts payable

1. Accounts payable are liabilities for purchases of raw materials, goods, or services, and notes payable are those resulting from operating and non-operating activities.
2. The short-term notes and accounts payable without bearing interest are subsequently measured at the initial invoice amount, as the effect of discounting is immaterial.

(XXI) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the ordinary shares of the Group by exchanging a fixed amount of cash for a fixed number of ordinary shares), call options, and put options. At initial issuance, the issue price is allocated to a financial asset, a financial liability, or equity according to the terms of issuance, as follows:

1. The embedded call options and put options: Recognized initially at net fair value as “financial assets or financial liabilities at fair value through profit or loss”. They are subsequently remeasured and stated at fair value on each balance sheet date. The gain or loss is recognized as “gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss”.

2. The host contracts of bonds: Initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to “finance costs” over the period of circulation using the effective interest

method.

3. The embedded conversion options (which meet the definition of an equity instrument): Initially recognized in “capital surplus – share options” at the residual amount of total issue price less the amount of “financial assets or financial liabilities at fair value through profit or loss” and “bonds payable” as stated above. Conversion options are not subsequently remeasured.

4. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each of the above-mentioned items.

5. When bondholders exercise conversion options, the liability component of the bonds (including “bonds payable” and “financial assets or financial liabilities at fair value through profit or loss”) shall be remeasured upon conversion. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component, plus the carrying amount of the “capital surplus – share options”.

(XXII) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged, canceled, or expires.

(XXIII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount of the benefits expected to be paid and should be recognized as an expense in that period when the employees render service.

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees for current or past service and reducing the fair value of plan assets by the present value of the defined benefit obligation at the balance sheet date. The net defined benefit obligation is calculated annually by an actuary using the projected unit credit method. The discount rate is determined by reference to the market yield rate of high-quality corporate bonds at the balance sheet date that corresponds to the currency and period of the defined benefit plan, or, in countries where there is no deep market for high-quality corporate bonds, by using the market yield rate of government bonds (at the balance sheet date).

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are expressed as retained earnings.

3. Employee and Directors Compensation

Employee compensation and directors' compensation are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. Subsequently, if the actual amount of allotment differs from the estimated amount, the difference is recognized as a change in accounting estimate.

(XXIV) Employee share-based payments

Equity-settled share-based payment agreements are recognized as compensation costs over the vesting period for employee services rendered, measured at the fair value of the equity instruments granted on the date of grant, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the effects of both vested and nonvested market conditions. Recognized compensation cost is adjusted in anticipation of the number of awards that will qualify for service conditions and non-market vesting conditions until the final amount recognized is based on the vested amount at the vesting date.

(XXV) Income tax

1. The tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

2. The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns in accordance with applicable tax regulations and estimates income tax liabilities based on the amounts expected to be paid to the tax authorities. The income tax surtaxed in unappropriated retained earnings in accordance with the income tax law shall be recognized as unappropriated retained earnings income tax expense based on the actual distribution of earnings after the earnings

appropriation plan is approved by the shareholders' meeting in the year following the year in which the earnings were generated.

3. Recognized based on the balance sheet liability method, deferred tax is the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax liabilities arising from the initial recognition of goodwill are not recognized. Deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction (excluding a business combination) and, at the time of the transaction, did not affect accounting profit or taxable profit (tax loss), and did not give rise to equal taxable and deductible temporary differences. Deferred tax assets are not recognized for temporary differences arising from investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when there is an intention to settle on a net basis, or to realize assets and settle liabilities simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax assets and liabilities assessed by the same tax authority arise from the same taxpayer, or from different taxpayers, but each intends to settle on a net basis, or to realize assets and settle liabilities simultaneously.

6. Unused income tax credits carried forward from the acquisition of equipment or technology, research and development expenditures, and equity investments are recognized as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused income tax credits can be utilized.

(XXVI) Share capital

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

2. Where the Company repurchases its equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the equity holders of the Company.

(XXVII) Dividend distribution

Dividends distributed to the shareholders of the Company are recognized in the financial statements when the shareholders' meeting resolves to distribute the dividends, and the distribution of cash dividends is recognized as a liability.

(XXVIII) Restructuring of entities under common control

1. Regarding intra-group restructuring transactions, in accordance with the FAQs on IFRS issued by the Accounting Research and Development Foundation (ARDF) October 26, 2018, "Clarifications on the Accounting Treatment of Business Combinations under Common Control", and in the absence of specific guidance under IFRS 3 "Business Combinations" for business combinations (or reorganizations) of entities under common control, relevant local interpretations in Taiwan continue to apply. The book value method is adopted, and the comparative financial statements are retrospectively restated as if the combination had occurred from the beginning of the earliest period presented.

2. Where the Group acquires a subsidiary as part of an intra-group reorganization, in accordance with relevant interpretations issued by the ARDF (e.g., Letter (100)-Ji-Mi-Zi No. 390), the transaction is recorded at the carrying amount of the Group's equity-method investment in the subsidiary (after impairment assessment). Any difference between the carrying amount and the transaction consideration is recognized in "Capital surplus – share premium"; any shortfall is deducted from "Retained earnings". Any remaining difference between the original investment cost and the net equity is accounted for in accordance with relevant interpretations. In accordance with the provisions of Interpretation Letter (101) Ji-Mi-Zi No. 301, the subsidiary is treated as having been consolidated from the beginning, and the comparative financial statements are retrospectively restated. Therefore, the equity interest previously held by the parent is presented as "Equity attributable to former owner of business combination under common control" in the comparative consolidated balance sheet, and profit or loss previously recognized is presented as "Net profit attributable to equity interests of the predecessor entity under common control" in the comparative consolidated statement

of profit or loss.

(XXIX) Revenue recognition

1. The Group recognizes revenue from sales of goods when control of the product is transferred to the customer, i.e., when the product is delivered to the customer. Product delivery occurs when the customer accepts the product in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.
2. Sales revenue of products is recognized at the contract price. The payment terms of sales transactions are usually due 30 to 90 days after the date of shipment. The Group does not adjust the transaction price to reflect the time value of currency because there is no time interval of more than one year between the transfer of the promised products and the customer's payment.
3. Account receivables are recognized when the products are delivered to the customers because the Group has unconditional rights to the contract price from that point onwards, and only needs time to pass to receive the consideration from the customers.

(XXX) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant, and the grant will be received. Government grants are recognized in profit or loss systematically over the period in which relevant expenses are incurred if the nature of the grant is to compensate for expenses incurred by the Group.

(XXXI) Operating departments

Operating departments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker of the Group is responsible for allocating resources and assessing the performance of the operating departments. The chief operating decision maker of the Group has been identified as the Board of Directors.

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

During the preparation of the Consolidated Financial Statements, the management has exercised its judgment on the adoption of accounting policies, and made accounting estimates and assumptions based on reasonable expectations of future events with reference to the circumstances at the balance sheet date. If there is any difference between any critical accounting estimates and assumptions made and actual results, assessment and adjustment will be conducted continuously by considering the historical experience and other factors. Such estimates and assumptions have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year. Please refer to the description of the uncertainties of critical accounting judgments, estimation, and assumptions below:

(I) Significant judgments for applying the Group accounting policies

None

(II) Significant accounting estimates and assumptions

Valuation of Inventories

The Group should exercise judgment and carry out an estimation to determine the net realizable value of inventory at the balance sheet date, as inventory should be measured at the lower of cost or net realizable value. Due to rapid changes in technology, the Group recognizes a loss at a net realizable value after assessing the amount of the inventory worn and torn, obsolete, or damaged on the balance sheet date, as well as the market sales value. This inventory valuation is conducted mainly based on the estimated product demand over a specific period in the future, so there may be significant changes.

As of December 31, 2025, the carrying amount of the Group's inventories was NT$358,029.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2025	December 31, 2024	January 1, 2024
Cash on hand and petty cash	$ 1,832	$ 1,776	$ 1,635
Check and demand deposits	1,161,601	1,285,395	980,126
Time deposits (a duration of less than three months)	191,730	76,877	30,708
	$ 1,355,163	$ 1,364,048	$ 1,012,469

1. The Group transacts with financial institutions of high credit ratings and deals with various financial institutions at the same time to diversify credit risks. Therefore, the expected risk of default is rather low. Thus, based on the loss allowance measured by the 12-month expected credit loss, provision for loss allowance was not made by the Group as of September 30, 2025, December 31, 2024, and January 1, 2024.
2. The Group’s time deposits pledged as collateral have been reclassified to “current financial assets at amortized cost”. Please refer to Note 8 for details.

(II) Financial assets at fair value through profit or loss

Item	December 31, 2025	December 31, 2024	January 1, 2024
Non-current item:			
Financial assets held for trading			
Derivatives	$ -	($ 1,544)	$ -
Adjustments for evaluation	-	2,248	-
Total	$ -	$ 704	$ -

For 2024, the Company recognized gains of NT$2,248 for financial assets measured at fair value through profit or loss.

(III) Financial assets at amortized cost

Item	December 31, 2025	December 31, 2024	January 1, 2024
Current items:			
Time deposits with original maturities exceeding three months	$ 64,338	$ 96,078	$ 59,085

1. The details of financial assets measured at amortized cost and recognized in profit or loss are as follows:

	2025	2024
Interest income	$ 2,501	$ 3,904

2. Without taking into account any collateral or other credit enhancements held, the carrying amounts of the Group's financial assets measured at amortized cost as of September 30, 2025, December 31, 2024, and January 1, 2024 are the maximum credit risk exposure amounts.
3. Please refer to Note 8 for details of the financial assets measured at amortized cost pledged by the Group.
4. The Group invests in certificates of deposit with financial institutions of high credit ratings. Therefore, the expected risk of default is rather low. Please refer to Note 12(2) for details of the related credit risk of financial assets measured at amortized cost.

(IV) Financial assets at fair value through other comprehensive income

Item	December 31, 2025	December 31, 2024	January 1, 2024
Non-current item:			
Equity instruments			
TWSE/TPEx listed stocks	$ -	$ -	$ 9,113
Stocks listed on the emerging stock market	38,947	39,500	39,500
Unlisted, OTC, emerging stocks	18,205	7,000	3,000
	57,152	46,500	51,613
Adjustments for evaluation	(12,274)	(11,708)	34,847
	$ 44,878	$ 34,792	$ 86,460

1. The Group has opted to classify strategic equity investments as financial assets at fair value through other comprehensive income, with fair values of NT$44,878, NT$34,792, and NT$86,460 as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively.
2. The details of financial assets at fair value through other comprehensive income recognized in comprehensive income are as follows:

	2025	2024
Equity instruments at fair value through other comprehensive income		
Change in fair value recognized in other comprehensive income (loss)	($ 417)	($ 32,122)
Accumulated profits reclassified as retained earnings due to derecognition	$ 149	$ 14,434

3. Without taking into account any collateral or other credit enhancements held, the carrying amounts of the Group's financial assets at fair value through other comprehensive income as of December 31, 2025, December 31, 2024 and January 1, 2024 are the maximum credit risk exposure amounts.
4. The Group has not pledged any financial assets at fair value through other comprehensive income as collateral.
5. Please refer to Note 12(2) for information on the credit risk of financial assets at fair value through other comprehensive income.

(V) Notes receivable and accounts receivable

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	$ 92,504	$ 14,677	$ 25,407
Accounts receivable	$ 638,365	$ 897,611	$ 988,133
Less: allowance for losses – accounts receivable	(274)	(490)	(530)
	$ 638,091	$ 897,121	$ 987,603
Accounts receivable – related parties	$ 6,002	$ 6,993	$ 8,953

1. The aging analysis of accounts receivable (including related parties) and notes receivable is as follows:

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 624,388	$ 92,504	$ 902,725	$ 14,677
1 to 90 days past due	19,979	-	1,879	-
	$ 644,367	$ 92,504	$ 904,604	$ 14,677

	January 1, 2024	
	Accounts receivable	Notes receivable
Not past due	$ 986,139	$ 25,407
1 to 90 days past due	9,476	-
91 to 180 days past due	1,471	-
	$ 997,086	$ 25,407

The aging analysis stated above is based on the number of overdue days.

2. As of December 31, 2025, December 31, 2024, and January 1, 2024, remaining accounts receivable and notes receivable all arose from contracts with customers. Additionally, as of January 1, 2024, the remaining receivables from customer contracts were NT$1,022,493.
3. The Group has not pledged any notes and accounts receivable as collateral.
4. Without taking into account any collateral or other credit enhancements held, the carrying amounts of the Group's notes and accounts receivable as of December 31, 2025, December 31, 2024 and January 1, 2024 are the maximum credit risk exposure amounts.
5. DaiichiKasei and IKKA Technology DongGuan, both subsidiaries of the Group, have signed accounts receivable sales contracts with several financial institutions in Japan and China,

where DaiichiKasei and IKKA Technology DongGuan shall decide whether to sell or not the accounts receivable to financial institutions on a non-recourse basis, depending on the amount of their operating capital. The Group manages such receivables through collecting contractual cash flows and selling financial assets, so such accounts receivable are financial assets at fair value through other comprehensive income.

6. As of December 31, 2025, December 31, 2024, and January 1, 2024, the Group's expected sales of accounts receivable of NT$168,260, NT$100,067, and NT$107,239, respectively, are financial assets at fair value through other comprehensive income that are recognized as accounts receivable.

7. Please refer to Note 12(2) for information on the credit risk of accounts and notes receivable.

(VI) Inventories

	December 31, 2025		
	Costs	Allowance for valuation losses	Carrying Amount
Raw materials	$ 141,844	($ 19,043)	$ 122,801
Work in progress	131,237	(4,532)	126,705
Finished goods	102,797	(6,421)	96,376
Inventories in transit	12,147	-	12,147
	$ 388,025	($ 29,996)	$ 358,029

	December 31, 2024		
	Costs	Allowance for valuation losses	Carrying Amount
Raw materials	$ 143,278	($ 26,054)	$ 117,224
Work in progress	146,206	(6,868)	139,338
Finished goods	103,034	(7,784)	95,250
Inventories in transit	4,636	-	4,636
	$ 397,154	($ 40,706)	$ 356,448

	January 1, 2024		
	Costs	Allowance for valuation losses	Carrying Amount
Raw materials	$ 167,285	($ 35,352)	$ 131,933
Work in progress	154,292	(7,903)	146,389
Finished goods	117,184	(19,118)	98,066
Inventories in transit	6,332	-	6,332
	$ 445,093	($ 62,373)	$ 382,720

The Group's inventory cost is recognized in expenses for the current period:

	2025	2024
Cost of inventory sold	$ 2,918,898	$ 3,068,671
Reversal gain of inventory write-downs	(10,375)	(24,400)
Income from the sale of scraps	(96,615)	(78,577)
	$ 2,811,908	$ 2,965,694

The Group recognized the reversal of inventory write-down for 2025 and 2024 due to inventory destocking.

(VII) Other current assets

Item	December 31, 2025	December 31, 2024	January 1, 2024
Assets not belonging to the principal (Note)	$ 34,110	$ 40,686	$ 34,814
Others	306	4,840	10,052
	$ 34,416	$ 45,526	$ 44,866

Note: The purchase transaction model of the Group with some suppliers is processing with raw materials. Before the specific goods are transferred to the customers, the Group only temporarily holds these assets. Since no inventory risk and ownership of the goods is assumed, the Group has no control over the goods. Therefore, it is listed under other current assets before the goods are transferred to the customer.

(VIII) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
January 1, 2025							
Costs	$ 243,366	$ 1,015,771	$ 1,912,319	$ 16,221	$ 71,782	$ 511,731	$ 3,771,190
Accumulated depreciation and impairment	-	(885,318)	(1,619,094)	(11,070)	(64,953)	(422,502)	(3,002,937)
	$ 243,366	$ 130,453	$ 293,225	$ 5,151	$ 6,829	$ 89,229	$ 768,253
2025							
Opening balance	$ 243,366	$ 130,453	$ 293,225	$ 5,151	$ 6,829	$ 89,229	$ 768,253
Additions	-	5,692	47,745	265	585	14,631	68,918
Reclassification	-	84	13,283	420	(2,964)	(8,389)	2,434
Disposal	-	-	(6,048)	(321)	(33)	(18)	(6,420)
Depreciation expense	-	(13,187)	(78,400)	(1,286)	(1,269)	(32,331)	(126,473)
Net exchange difference	(9,345)	(3,239)	(4,088)	(30)	39	(987)	(17,650)
Ending balance	$ 234,021	$ 119,803	$ 265,717	$ 4,199	$ 3,187	$ 62,135	$ 689,062
December 31, 2025							
Costs	$ 234,021	$ 990,540	$ 1,926,563	$ 15,182	$ 20,565	$ 475,559	$ 3,662,430
Accumulated depreciation and impairment	-	(870,737)	(1,660,846)	(10,983)	(17,378)	(413,424)	(2,973,368)
	$ 234,021	$ 119,803	$ 265,717	$ 4,199	$ 3,187	$ 62,135	$ 689,062

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
January 1, 2024							
Costs	$ 245,208	$ 998,665	$ 1,833,082	$ 13,142	$ 76,309	$ 509,335	$ 3,675,741
Accumulated depreciation and impairment	-	(887,424)	(1,539,542)	(11,037)	(75,272)	(422,685)	(2,935,960)
	$ 245,208	$ 111,241	$ 293,540	$ 2,105	$ 1,037	$ 86,650	$ 739,781
2024							
Opening balance	$ 245,208	$ 111,241	$ 293,540	$ 2,105	$ 1,037	$ 86,650	$ 739,781
Additions	-	28,983	74,782	3,803	2,557	35,026	145,151
Reclassification	-	-	2,476	-	-	(130)	2,346
Disposal	-	(8)	(3,305)	-	(30)	(23)	(3,366)
Depreciation expense	-	(13,922)	(79,709)	(859)	(3,060)	(28,266)	(125,816)
Net exchange difference	(1,842)	4,159	5,441	102	6,325	(4,028)	10,157
Ending balance	$ 243,366	$ 130,453	$ 293,225	$ 5,151	$ 6,829	$ 89,229	$ 768,253
December 31, 2024							
Costs	$ 243,366	$ 1,015,771	$ 1,912,319	$ 16,221	$ 71,782	$ 511,731	$ 3,771,190
Accumulated depreciation and impairment	-	(885,318)	(1,619,094)	(11,070)	(64,953)	(422,502)	(3,002,937)
	$ 243,366	$ 130,453	$ 293,225	$ 5,151	$ 6,829	$ 89,229	$ 768,253

Please refer to Note 8 for information on property, plant and equipment pledged as collateral.

(IX) Lease Transactions – Lessee

1. The assets leased by the Group are land, buildings, machinery and equipment, transportation equipment, and other equipment, and the lease terms are usually 2–10 years. The lease contract is negotiated individually and contains various terms and conditions, and no other restrictions are imposed except that the assets leased shall not be used as collateral for loans.
2. The lease terms of offices, employee dormitories, car parking spaces, and computer software leased by the Group are not more than 12 months, and the computer equipment leased is a low-value asset.
3. The information on the carrying amount of the right-of-use assets and the depreciation expenses recognized is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	$ 17,460	$ 18,832	$ 18,217
Buildings	135,241	192,292	229,983
Machinery and equipment	2,890	4,787	8,210
Transportation equipment (fleet vehicles)	2,096	3,040	4,515
Office equipment	534	969	1,433
Other equipment	-	-	9
	$ 158,221	$ 219,920	$ 262,367

	2025	2024
	Depreciation expense	Depreciation expense
Land	$ 589	$ 607
Buildings	51,706	53,687
Machinery and equipment	1,754	3,160
Transportation equipment (fleet vehicles)	1,513	1,942
Office equipment	408	415
Other equipment	-	10
	$ 55,970	$ 59,821

4. The additions of the Group's right-of-use assets in 2025 and 2024 amounted to NT$2,904 and NT$15,111, respectively.
5. Information on the profit or loss item related to lease contracts is as follows:

	2025	2024
Items that affect current profit or loss		
Interest expense on lease liabilities	$ 5,286	$ 7,293
Expenses on short-term lease contracts	5,948	5,640
Expenses on low-value assets leased	615	914
Lease modification gain	(7)	(1)

6. The Group's total cash outflows from leases in 2025 and 2024 amounted to NT$68,735 and NT$71,441, respectively.

(X) Intangible assets

	Computer software December 31, 2025	Computer software December 31, 2024
Opening balance		
Costs	$ 56,923	$ 51,834
Accumulated amortization	(54,101)	(49,602)
	$ 2,822	$ 2,232
Opening balance	$ 2,822	$ 2,232
Current purchase	1,132	1,647
Amortization expense	(946)	(1,057)
Net exchange difference	38	-
	$ 3,046	$ 2,822
Ending balance		
Costs	$ 59,926	$ 56,923
Accumulated amortization	(56,880)	(54,101)
	$ 3,046	$ 2,822

(XI) Short-term borrowings

Category of borrowings	December 31, 2025	December 31, 2024	January 1, 2024
Bank borrowings			
Secured borrowings			
Bank syndicated borrowings (Note 1)	$ 104,416	$ 109,148	$ 120,003
Secured bank borrowings (Note 2)	36,144	37,782	39,241
Credit borrowings			
Bank syndicated borrowings (Note 1)	36,144	37,782	55,386
Bank credit loans (Note 2)	31,430	32,785	153,525
	$ 208,134	$ 217,497	$ 368,155

Note 1: The interest rate ranges for bank syndicated borrowings were 1.8%, 1.39%, and 1.24% as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively. For details regarding the guarantees, please refer to Note 8. As stipulated in the borrowing contract, the annual individual financial statements of DaiichiKasei should maintain the following conditions during the term of the contract:

A. No operating loss for two consecutive years.

B. Net assets should be maintained at 75% or more of the net assets for the two years prior to the signing of the contract or for the most recent year.

The above financial ratios and contracts are reviewed annually.

Note 2: The interest rate ranges were 1.8%-5.87%, 1.33%-5.87%, and 1.23%-6.65% as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively.

(XII) Notes payable

	December 31, 2025	December 31, 2024	January 1, 2024
Occurrence due to business	$ 85,606	$ 130,566	$ 136,053
Occurrence not due to business	348	6,967	-
	$ 85,954	$ 137,533	$ 136,053

(XIII) Bonds payable

	December 31, 2025	December 31, 2024	January 1, 2024
Bonds payable	$ -	$ 106,600	$ -
Less: discount on bonds payable	-	(8,810)	-
	$ -	$ 97,790	$ -

1. The Company issued the first domestic convertible corporate bonds upon approval by the competent authority.

   (1) The issuance terms are as follows:

   A. The total issued amount is NT$250,000, with a 0% coupon rate and a term of 5 years. The bonds will be in circulation from March 4, 2024 to March 4, 2029. Upon maturity, the convertible bonds will be redeemed in cash at face value in a lump sum. The convertible corporate bonds were listed and commenced trading on the Taipei Exchange (TPEx) on March 4, 2024.

   B. The bondholders have the right to request the Company to convert the bonds into common stocks of the Company at any time from the date after three months from the issue date of the bonds to the maturity date, except during the suspension period as specified in the terms of the bonds or by the laws and regulations. The rights and obligations of the converted shares are the same as those of the issued and original common stocks.

   C. The conversion price of the convertible corporate bonds is determined in accordance with the pricing model stipulated in the conversion terms. In the event of an anti-dilution clause, the conversion price will be adjusted in accordance with the pricing model stipulated in the conversion terms. Then, on the base date of the regulation promulgation, the conversion price shall be reset according to the pricing model stipulated in the conversion terms. The conversion price of the convertible corporate bonds is NT$88.8 per share, and the conversion price was adjusted to NT$85.8 on September 10, 2024.

   D. Bondholders may request the Company to repurchase the convertible bonds they held at face value plus interest compensation three years after the issuance date.

   E. The Company may repurchase all the bonds in cash at the bonds' face value at any time after the following events occur: (1) the closing price of the Company's common shares is more than 30% (inclusive) of the conversion price for 30 consecutive business days during the period from the date after three months of the bonds issuance date to 40 days before the maturity date; or (2) the outstanding balance of the bonds is less than 10% of the original issuance amount during the period from the date after three months of the bonds issuance date to 40 days before the maturity date.

F. According to the conversion terms, all the convertible corporate bonds recovered (including repurchase from the over-the-counter market), redeemed, or converted will be canceled, and cannot be sold or issued again. The conversion rights attached thereto will be eliminated.

G. As of December 31, 2025, a total of 3 bonds were redeemed, with a par value of NT$300. The Company allocated the call price to the liability component, and the difference between the allocated amount to the liability component and its carrying amount was recognized as other losses of NT$24.

H. As of December 31, 2025, the face value of the convertible corporate bonds totaling NT$249,700 was converted into 2,910 thousand ordinary shares, and the registration of the change was completed on July 11, 2025.

(2) Regarding the issuance of the first convertible corporate bonds, the Group separated the conversion rights of the nature of Equity from each liability component in accordance with the provisions of IAS 32 “Financial Instruments: Presentation”, and recognized in “Capital surplus, share options” amounting to NT$24,180. The call options and put options embedded in bonds payable were separated from the debt instruments of their host contracts, as their economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and were recognized in “financial liabilities at fair value through profit or loss” in net amount in accordance with IFRS 9 “Financial Instruments”. The effective interest rate of the bonds payable after such separation was 2.0677%.

(XIV) Other payables

	December 31, 2025	December 31, 2024	January 1, 2024
Salary and year-end bonuses payable	$ 82,142	$ 105,049	$ 107,740
Business tax payable (value-added tax payable)	51,933	41,394	54,391
Remuneration payable to employees and directors	23,162	29,252	18,434
Pensions payable	18,358	17,846	17,553
Service payment payable	14,459	16,365	20,908
Insurance payable	8,865	10,297	11,596
Utilities payable	9,147	9,928	9,147
Freight payable	7,023	8,308	9,555
Interest payable	1,558	1,838	2,292
Business facilities payable	884	904	15,699
Rent payable	198	376	320
Others	39,728	50,177	58,045
	$ 257,457	$ 291,734	$ 325,680

(XV) Long-term borrowings

December 31, 2025

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.85%	$ 87,599
Unsecured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.63%	41,983
Bank credit borrowings	2020/10/23–2030/9/25	The interest rate before October 2024 was 0%. Thereafter, the interest rate is 1.7%-2%.	13,628
Bank credit borrowings	2021/3/25–2031/3/20	1.14%	5,791
			149,001
Less: long-term borrowings due within one year			(34,471)
			$ 114,530

December 31, 2024

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.85%	$ 113,118
Unsecured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.85%	54,214
Bank credit borrowings	2020/10/23–2030/9/25	The interest rate before October 2024 was 0%. Thereafter, the interest rate is 2%	17,243
Bank credit borrowings	2021/3/25–2031/3/20	1.14%	7,212
Bank credit borrowings	2022/11/22–2025/10/31	0.98%-1.09%	13,694
			205,481
Less: long-term borrowings due within one year			(49,727)
			$ 155,754

January 1, 2024

Category of borrowings	Borrowing period	Interest rate range	Amount
Secured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.62%	$ 139,351
Unsecured borrowings			
Bank syndicated borrowings (Note 1)	2021/3/31–2030/3/29	0.61%-0.62%	66,786
Bank credit borrowings	2020/10/23–2030/9/25	The interest rate before October 2024 was 0%. Thereafter, the interest rate is 2%.	21,022
Bank credit borrowings	2021/3/25–2031/3/20	1.14%	8,694
Bank credit borrowings	2022/11/22–2025/10/31	0.90%	28,950
			264,803
Less: long-term borrowings due within one year			(52,104)
			$ 212,699

Note 1: As stipulated in the borrowing contract, the annual individual financial statements of DaiichiKasei should maintain the following conditions during the term of the contract:

A. No operating loss for two consecutive years.

B. Net assets should be maintained at 75% or more of the net assets for the two years prior to the signing of the contract or for the most recent year.

The above financial ratios and contracts are reviewed annually.

Note 2: Please refer to Note 8 for details of the collateral for the above long-term borrowings.

(XVI) Pension

1. (1) The pension costs relating to defined benefit plans recognized by the Company's subsidiary, Daiichi Kasei, for 2025 and 2024, were calculated using the actuarially determined pension cost rate as of December 31, 2025 and 2024, and the amounts were NT$6,085 and NT$8,134, respectively.

(2) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Present value of defined benefit obligations	$ 114,206	$ 142,566	$ 160,515
Fair value of plan asset	(21,904)	(24,844)	(27,395)
Net defined benefit liability	$ 92,302	$ 117,722	$ 133,120

(3)The change in the net defined benefit liability is as follows:

2025

	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$ 142,566	($ 24,844)	$ 117,722
Current service cost	5,912	-	5,912
Interest expense (income)	1,989	(247)	1,742
	150,467	(25,091)	125,376
Remeasurement:			
Effect of changes in financial assumptions	(7,494)	142	(7,352)
	(7,494)	142	(7,352)
Contribution to pension fund	-	(1,486)	(1,486)
Pension paid	(23,439)	3,525	(19,914)
Exchange difference	(5,328)	1,006	(4,322)
December 31	$ 114,206	($ 21,904)	$ 92,302

2024

	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$ 160,515	($ 27,395)	$ 133,120
Current service cost	6,840	-	6,840
Interest expense (income)	1,729	(268)	1,461
	169,084	(27,663)	141,421
Remeasurement:			
Effect of changes in financial assumptions	674	214	888
	674	214	888
Contribution to pension fund	-	(1,333)	(1,333)
Pension paid	(21,933)	3,033	(18,900)
Exchange difference	(5,259)	905	(4,354)
December 31	$ 142,566	($ 24,844)	$ 117,722

(4) The present value of defined benefit obligations of DaiichiKasei was actuarially determined by a qualified actuary, and the actuarial assumptions related to pension are as follows:

	2025	2024
Discount rate	2.338%	1.404%

(5) The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate	
	0.25% increase	0.25% decrease
December 31, 2025		
Effect on the present value of defined benefit obligations	$ 1,600	($ 1,645)
December 31, 2024		
Effect on the present value of defined benefit obligations	($ 1,972)	($ 2,028)

(6) As of December 31, 2025, the weighted average duration for the pension plan was 10.6 years.

2. (1) Sol-Plus Co., Ltd., a subsidiary of the Company, has a defined benefit pension plan under the “Small- and Medium-Sized Enterprise Pension System”. The Company contributes monthly to the employees' individual accounts at its entrusted financial institutions, and each year, the Small and Medium-sized Enterprises Retirement Pension Fund Business Unit provides the Company with information on the status of the pension contributions of the employees and the amount of the trial balance of the pensions, and employee pension payments are based on their individual pension accounts and the amount of accumulated earnings, which are received in the form of a lump-sum pension.

(2) For 2025 and 2024, the Group recognized pension costs of NT$1,098 and NT$1,948, respectively, under the abovementioned pension plan, and the net defined benefit liabilities amounted to NT$17,835, NT$18,221, and NT$18,188 as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively.

3. (1) The sub-subsidiary of the Company, Hiraiseimitsu (Thailand) Co., Ltd, has formulated a defined benefit pension plan in accordance with the applicable Thailand laws and regulations and makes a monthly contribution equal to a certain percentage of the total salary to the pension fund.

(2) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Present value of defined benefit obligations	$ 36,669	$ 30,701	$ 25,344
Fair value of plan asset	-	-	-
Net defined benefit liability	$ 36,669	$ 30,701	$ 25,344

(3) Movements in net defined benefit liabilities are as follows:

2025	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$ 30,701	$ -	$ 30,701
Current service cost	3,724	-	3,724
Interest expense (income)	754	-	754
	35,179	-	35,179
Pension paid	-	-	-
Exchange difference	1,490	-	1,490
December 31	$ 36,669	$ -	$ 36,669

2024	Present value of defined benefit obligations	Fair value of plan asset	Net defined benefit liability
January 1	$ 25,344	$ -	$ 25,344
Current service cost	3,289	-	3,289
Interest expense (income)	629	-	629
	29,262	-	29,262
Remeasurement:			
Effect of change in demographic assumptions	(1,266)	-	(1,266)
Effect of changes in financial assumptions	2,511	-	2,511
Experience adjustments	(1,581)	-	(1,581)
	(336)	-	(336)
Pension paid	-	-	-
Exchange difference	1,775	-	1,775
December 31	$ 30,701	$ -	$ 30,701

(4) The actuarial assumptions related to pensions are as follows:

	2025	2024
Discount rate	2.48%	2.48%
Future salary increases	3%	3%

(5) The analysis of the present value of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
December 31, 2025				
Effect on the present value of defined benefit obligations	($ 3,411)	$ 3,996	$ 3,743	($ 3,254)
December 31, 2024				
Effect on the present value of defined benefit obligations	($ 3,276)	$ 3,838	$ 3,595	($ 3,126)

The sensitivity analysis above is based on the impact of a single assumption, which changed while the other conditions remained unchanged. In practice, more than one assumption may change at the same time. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(6) As of December 31, 2025, the weighted average duration for the pension plan was 19.10 years. The maturity analysis of pension payments is as follows:

Less than 1 year	$ 295,819
1-5 years	6,696,727
Over 5 years	160,348,380
	$ 167,340,926

(7) For 2025 and 2024, the Group recognized pension costs of NT$4,476 and NT$3,555, respectively, under the abovementioned pension plan.

4. In addition to the aforementioned subsidiary, all other overseas subsidiaries have made provisions for retirement benefits under local government regulations. The pension costs recognized for 2025 and 2024 amounted to NT$14,882 and NT$24,768, respectively.

(XVII) Share-based payment

1. Share-based payment agreements for 2025 and 2024 are as follows:

Agreement type	Paying date	Issuance amount (Unit: thousand shares)	Contract period	Vesting conditions
Employee stock options plan	2020.07.17	3,000	5 years	2–4 years' service (Note)
Issuing shares reserved for employee stock options	2024.01.29	106	-	Immediately vested

Note: The stock option holder may exercise the right to subscribe to shares two years after being granted the employee stock option certificate, in accordance with this plan. The validity period of the stock option certificate shall be five years from the date of granting the employee stock option certificate. It shall not be transferable, pledged, gifted to others, or disposed of by any other means, except in cases of inheritance.

Time frame	Cumulative proportion of exercisable stock options
After 2 years (starting from the third year)	50%
After 3 years (starting from the fourth year)	75%
After 4 years (starting from the fifth year)	100%

The aforementioned share-based payment agreement is settled in equity.

2. Details of the aforementioned share-based payments agreement are as follows:

	2025	
	Number of stock options (Unit: thousand shares)	Weighted-average exercise price (NTD)
Outstanding stock options at the beginning of the period	456	$ 34.3
Stock options executed for the current period	(286)	33.4
Stock options expiring at the current period	(170)	33.4
Outstanding stock options at the end of the period	-	-
Exercisable stock options at the end of the period	-	-

	2024	
	Number of stock options (Unit: thousand shares)	Weighted-average exercise price (NTD)
Outstanding stock options at the beginning of the period	716	$ 36.3
Stock options executed for the current period	(260)	35.8
Outstanding stock options at the end of the period	456	34.3
Exercisable stock options at the end of the period	456	34.3

The weighted average share prices on the exercise dates for stock options for 2025 and 2024 were NT$33.4 and NT$35.8, respectively.

3. For the share-based payment transaction conducted on the granted date, the Group uses the Black-Scholes option pricing model to estimate the fair value of the stock option. The relevant information is as follows:

Agreement type	Paying date	Price of share	Exercise price	Expected volatility rate	Expected validity period	Expected dividends	Risk-free interest rate	Fair value per unit (NTD)
Employee stock options plan	2020.07.17	$ 58	$40	23.89%-25.91%	5 years	-	0.2371%~0.3222%	$ 19.57-$21.26
Issuing shares reserved for employee stock options	2024.01.29	$ 90.50	$60	26.81%	0.10 year	-	1.0302%	$ 30.56

4. Cost for share-based payment transactions is as follows:

	2025	2024
Equity payment	$ -	$ 3,787

(XVIII) Share capital

1. As of December 31, 2025, the authorized capital of the Company is NT$400,000 thousand, which is divided into 40,000 thousand shares, with a paid-in capital of NT$363,882, at NT$10 per share.

The adjustments for the outstanding common shares at the beginning and end of the period are as follows:

	2025	2024
January 1	33,203	29,452
Employee stock options exercised	286	260
Proceeds from issuing shares	-	1,820
Conversion of convertible bonds	1,239	1,671
Stock dividends	1,660	-
December 31	36,388	33,203

2. On November 7, 2023, the Board of Directors of the Company resolved to increase capital in cash by issuing 1,820 thousand ordinary shares, with a par value of NT$10 per share and a premium of NT$60 per share, for a total consideration of NT$109,200. March 7, 2024 was set as the capital increase record date, and the proceeds were fully collected on March 7, 2024.
3. On August 7, 2025, the Board of Directors of the Company resolved to increase capital by issuing 1,660 thousand new shares using the unappropriated retained earnings of NT$16,602, with a par value of NT$10 per share. Each shareholder receives 50 shares free of charge for every 1,000 shares held, based on their shareholding ratio as recorded in the shareholder register on the record date for the new share issuance. The listing of new shares from this capital increase has been approved by the Taiwan Stock Exchange Corporation on September 17, 2025, and the new shares were issued and listed on September 26, 2025.

(XIX) Capital surplus

According to the Company Act, the premium of excess over par value derived from issued shares and the gifted capital surplus, in addition to being used to offset deficits, where the Company has no accumulated losses, shall be used to issue new shares or cash in proportion to the shareholders' original shareholding ratio. The Company shall not use the capital surplus to offset the capital losses, unless the surplus reserve is insufficient to compensate such losses.

	2025		
	Share premium	Employee stock options plan	Stock options
January 1	$ 1,013,318	$ 18,677	$ 10,310
Employee stock options exercised	6,939	-	-
Conversion of convertible bonds	95,290	-	(10,281)
Reorganization	(24,181)	-	-
December 31	$ 1,091,366	$ 18,677	$ 29

2024

	Share premium		Employee stock options plan		Stock options	
January 1	$	784,738	$	18,034	$	-
Employee stock options exercised		6,580		643		-
Proceeds from issuing shares		91,000		-		-
Proceeds from issuing shares retain employee subscription remuneration costs		3,239		-		-
Issuance of convertible bonds		127,761		-		10,310
December 31	$	1,013,318	$	18,677	$	10,310

(XX) Retained earnings

1. In accordance with the Company's Articles of Incorporation, if there are still earnings after the annual settlement, in addition to paying all taxes, the earnings shall be first used for offsetting a cumulative deficit, and then allocated or reversed as a special reserve in accordance with the laws and regulations or the competent authority's request. Any remaining profit, together with any undistributed retained earnings from the beginning of the same period, is shareholders' accumulated distributable earnings, the distribution of which is proposed by the Board of Directors and resolved by the shareholders' meeting.
2. The Company is in a growing phase, for the needs including capital expenditure, business expansion, and sound financial planning to achieve sustainable development, the Company's dividend policy will be determined based on the future budget for capital expenditure and funding needs, while considering economic and industry dynamics. Dividends may be distributed to shareholders in the form of cash dividends and/or stock dividends. If the Board of Directors resolves to distribute earnings, a plan shall be formulated and approved by the shareholders' meeting through an ordinary resolution. The total amount of dividends to shareholders should be at least 40% of the distributable earnings for the current year, with the total cash dividend payout not falling below 10% of the total dividend.
3. Without violating any regulations, the Board of Directors may distribute dividends, legal reserves, and/or all or part of the premium arising from the issuance of shares or gifted capital surplus to the original shareholders in the form of cash. Such distribution shall be approved by a resolution with the attendance of two-thirds or more of the directors and the consent of the majority of attending directors, and it shall be reported to the shareholders' meeting.
4. In accordance with laws and regulations, the Company shall set aside special reserves from other equity items of the debit balance at the balance sheet date before distributing earnings. When a debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.

5. On March 11 2026, the Board of Directors proposed the 2025 earning appropriation plan, pending approval by the shareholders' meeting. On June 30, 2025, the shareholders' meeting of the Company resolved the 2024 earnings appropriation plans as follows:

	2025		2024	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Special reserves (reversal) appropriated	$ 64,154		($ 8,992)	
Cash dividends	109,165	$ 3.00	116,213	$ 3.35
Stock dividends	-	-	16,602	0.48
	$ 173,319		$ 123,823	

(XXI) Non-controlling interests

	2025	2024
Opening balance	$ 20,123	$ -
Share attributable to non-controlling interests:		
Net income for this period	(4,455)	(4,779)
Exchange differences on translation of the financial statements of foreign operations	230	(594)
Increase (decrease) in non-controlling interests:		
Cash capital increase of the subsidiary by issuing shares	-	25,496
Effect of the reorganization	(15,898)	-
Ending balance	$ -	$ 20,123

(XXII) Operating revenue

1. Disaggregation of revenues from customer contracts

The Group’s revenue is derived from the transfer of goods and services at a specific point in time. The revenue can be classified into the following main groups of companies:

2025	Japan	Vietnam	China (including Hong Kong)	Thailand	Other Asian regions	Total
Segment income	$1,596,996	$ 779,092	$ 844,628	$ 441,625	$ 150,193	$ 3,812,534
Income from internal segment transactions	(121,067)	(13,202)	(286,243)	(3,826)	(24)	(424,362)
Income from external customer transactions	$1,475,929	$ 765,890	$ 558,385	$ 437,799	$ 150,169	$ 3,388,172
Recognition timing of revenue						
Revenue recognized at a specific time	$1,475,929	$ 765,890	$ 558,385	$ 437,799	$ 150,169	$ 3,388,172

2024	Japan	Vietnam	China (including Hong Kong)	Thailand	Other Asian regions	Total
Segment income	$1,615,574	$ 815,239	$ 1,084,411	$ 463,582	$ 228,693	$ 4,207,499
Income from internal segment transactions	(127,327)	(11,396)	(365,875)	(1,679)	(13,594)	(519,871)
Income from external customer transactions	$1,488,247	$ 803,843	$ 718,536	$ 461,903	$ 215,099	$ 3,687,628
Recognition timing of revenue						
Revenue recognized at a specific time	$1,488,247	$ 803,843	$ 718,536	$ 461,903	$ 215,099	$ 3,687,628

2. Contract liabilities

The contract liabilities related to the Group's recognized contract income are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities – advance sales receipts (Recognized contract liabilities – current)	$ 2,030	$ 12,427	$ 3,013

(XXIII) Interest income

	2025	2024
Interest income from bank deposits	$ 10,162	$ 6,383
Interest revenue from financial assets at amortized cost	2,501	3,904
	$ 12,663	$ 10,287

(XXIV) Other income

	2025	2024
Rental income	$ 2,753	$ 2,816
Dividend income	238	177
	$ 2,991	$ 2,993

(XXV) Other gains and losses

	2025	2024
Loss on disposal of property, plant and equipment	($ 2,959)	($ 1,362)
Foreign exchange gains	1,285	23,653
Loss on redemption of convertible bonds	(24)	-
Gains (losses) on financial assets and liabilities at fair value through profit or loss	(192)	2,248
Other gains	11,317	13,873
	$ 9,427	$ 38,412

(XXVI) Financial costs

	2025	2024
Interest expense		
Bank borrowings and others	$ 7,132	$ 7,658
Interest on lease liabilities	5,286	7,293
Amortization of discount on bonds payable	396	3,898
	$ 12,814	$ 18,849

(XXVII) Employee benefit expenses and additional information regarding such expenses' nature

	2025	2024
Employee benefit expenses		
Salary and wages	$ 731,999	$ 758,919
Labor and health insurance costs (Note)	67,146	58,291
Pension	26,541	38,405
Other employment expenses	27,796	27,640
Depreciation expense	182,443	185,637
Amortization expense	946	1,057

Note: Including expenses related to medical insurance and insurance of work-related injuries incurred by subsidiaries in China.

1. As per the Company's Articles of Incorporation, after cumulative losses are deducted from the Company's profit for the year, if there is a balance, no less than 8% and not higher than 15% of the balance shall be set aside for employee remuneration and no higher than 5% for directors' remuneration.

2. The estimated employee compensation of the Company for 2025 and 2024, amounted to NT$13,981 and NT$17,652, respectively. The estimated directors' remuneration for the same years amounted to NT$8,738 and NT$11,033, respectively. The aforementioned amounts were recognized in the item of salary and wages.

   For 2024, the estimated amounts were 8% and 5%, respectively, based on the profit situation for that year. The Board of Directors resolved that the actual amounts distributed were NT$22,066 and NT$5,516, with differences of NT$4,414 and NT$(5,517) respectively, compared to the employee and director remuneration recognized in the 2024 financial statements. The difference of NT$(1,103) has been adjusted in the profit and loss for 2025.

3. The information on employees' and directors' remuneration approved by the Board of Directors of the Company is available on the Market Observation Post System.

(XXVIII) Income tax

1. Income tax expense

   (1) Components of income tax expenses:

	2025	2024
Current income tax:		
Income tax from the current income	$ 62,616	$ 82,122
Income tax (overestimates) underestimates for prior years	(8,625)	3,529
Deferred tax:		
Initial generation and reversal of temporary differences	(3,149)	3,241
Income tax expense	$ 50,842	$ 88,892

(2) The amount of income tax related to other comprehensive income:

	2025	2024
Changes in the fair value of financial assets at fair value through other comprehensive income	$ -	$ 3,537

2. Reconciliation between income tax expenses and accounting profits

	2025	2024
Income tax calculated on net profit before tax at the statutory rate (Note)	$ 142,424	$ 94,842
Items adjusted in accordance with tax legislation	(75,555)	(17,507)
Tax losses unrecognized as deferred tax assets	(4,330)	5,423
Tax effect of tax losses	(143)	(896)
Changes in the recoverability assessment of deferred tax assets	(2,929)	3,501
Income tax underestimates for prior years	(8,625)	3,529
Income tax expense	$ 50,842	$ 88,892

Note: The applicable tax rate is calculated based on the tax rate applicable to the income in the relevant country.

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

2025

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Exchange_ difference	December 31
Deferred tax assets:					
Tax losses	$ 26,266	($ 822)	$ -	$ 487	$ 25,931
Excessive provision for bad debts	1,905	(1)	-	(1,895)	9
Impairment loss	12,096	11,225	-	(237)	23,084
Inventory valuation loss	1,572	142	-	1,923	3,637
	$ 41,839	$ 10,544	$ -	$ 278	$ 52,661
Deferred tax liabilities:					
Land use right	(38)	(2)	-	1	(39)
Gain on increment of assets	(17,270)	10	-	714	(16,546)
	($ 17,308)	$ 8	$ -	$ 715	($ 16,585)
	$ 24,531	$ 10,552	$ -	$ 993	$ 36,076

2024

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	December 31
Deferred tax assets:					
Tax losses	$ 25,009	$ 2,118	$ -	($ 861)	$ 26,266
Excessive provision for bad debts	11	(2)	-	1,896	1,905
Impairment loss	12,425	-	-	(329)	12,096
Inventory valuation loss	4,580	(1,666)	-	(1,342)	1,572
	$ 42,025	$ 450	$ -	($ 636)	$ 41,839
Deferred tax liabilities:					
Financial assets at fair value through other comprehensive income	(3,537)	-	3,537	-	-
Land use right	(32)	(3)	-	(3)	(38)
Gain on increment of assets	(16,361)	356	-	(1,265)	(17,270)
	($ 19,930)	$ 353	$ 3,537	($ 1,268)	($ 17,308)
	$ 22,095	$ 803	$ 3,537	($ 1,904)	$ 24,531

4. The expiry dates of the Group's unused tax losses and the related amounts of unrecognized deferred tax assets are as follows:

December 31, 2025

Year of occurrence	Declared/assessed amount	Amount not yet deducted	Unrecognized deferred tax assets	Final year of deduction
2020	$ 12,119	$ 12,119	$ 12,119	2025
2021	31,852	31,852	31,852	2026
2022	48,105	48,105	48,105	2027
2023	36,022	36,022	36,022	2028
2024	34,833	34,833	34,833	2029

December 31, 2024

Year of occurrence	Declared/assessed amount	Amount not yet deducted	Unrecognized deferred tax assets	Final year of deduction
2019	$ 44,977	$ 44,977	$ 44,977	2024
2020	12,119	12,119	12,119	2025
2021	31,852	31,852	31,852	2026
2022	48,105	48,105	48,105	2027
2023	36,022	36,022	36,022	2028

(XXIX) Transactions with non-controlling interests

In the first quarter of 2024, the Group's subsidiary, Shine Trade, completed a capital increase through the issuance of new shares. The Group did not subscribe for the new shares in proportion to its shareholding, resulting in a decrease in the Group's ownership interest from 100% to 71.43%. This transaction increased non-controlling interests by NT$25,496, with no impact on equity attributable to owners of the parent.

(XXX) Business combinations

1. The Group aims to expand its market through resource integration. On November 1, 2025, the Group acquired 100% of the equity in Shine Trade for US$1, thereby gaining control over Shine Trade.
2. The following table sets out the consideration paid for the acquisition of Shine Trade, as well as the fair values of the assets acquired and liabilities assumed as at the acquisition date:

	2025
Acquisition consideration	
Cash	$ -
Fair value of identifiable assets acquired and liabilities assumed	
Cash	8,483
Accounts receivable and other receivables	2,745
Inventories	691
Other current assets	520
Property, plant and equipment	1,892
Right-of-use assets	39,474
Other non-current assets	1,235
Short-term borrowings	(30,730)
Accounts payable and other payables	(3,432)
Other current liabilities	(12)
Leases liabilities	(45,047)
Total identifiable net liabilities	(24,181)
Reorganization transactions under common control – capital surplus	$ 24,181

The Group's acquisition of Shine Trade is considered an internal reorganization with economic substance. Therefore, the transaction is recorded at its book value.

(XXXI) Earnings per share

	2025		
	Amount after tax	Weighted average number of outstanding shares (unit: Thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit attributable to owners of the Company	$ 139,271		$ 3.99
Net profit attributable to equity interests of the predecessor entity under common control	(11,136)		(0.32)
	$ 128,135	34,873	$ 3.67

2025	Amount after tax	Weighted average number of outstanding shares (unit: Thousand shares)	Earnings per share (NTD)
Diluted earnings per share			
Current net profit attributable to owners of the Company	$ 139,271	34,873	$ 3.93
Net profit attributable to equity interests of the predecessor entity under common control	(11,136)		(0.31)
Effect of potential dilutive ordinary shares:			
Employee stock options plan	-	49	-
Employee remuneration	-	219	-
Convertible bonds	395	303	0.01
	$ 128,530	35,444	$ 3.63

2024	Amount after tax	Weighted average number of outstanding shares (unit: Thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit attributable to owners of the Company	$ 191,666		$ 6.17
Net profit attributable to equity interests of the predecessor entity under common control	(17,359)		(0.56)
	$ 174,307	31,077	$ 5.61
Diluted earnings per share			
Current net profit attributable to owners of the Company	$ 191,666	31,077	$ 5.67
Net profit attributable to equity interests of the predecessor entity under common control	(17,359)		(0.51)
Effect of potential dilutive ordinary shares:			
Employee stock options plan	-	151	-
Employee remuneration	-	153	-
Convertible bonds	3,898	2,407	0.11
	$ 178,205	33,788	$ 5.27

(XXXII) Cash flow supplemental information

1. Operating activities supported by partial cash payment:

	2025	2024
Interest expense	$ 12,418	$ 18,849
Add: Interest payable at the beginning of the period	1,838	2,292
Less: Interest payable at the end of the period	(1,558)	(1,838)
Current cash payable	$ 12,698	$ 19,303

2. Investment activities supported by partial cash payment:

	2025	2024
Expense for property, plant and equipment	$ 68,918	$ 145,151
Add: Equipment payable at the beginning of the period	904	15,699
Add: Notes payable at the beginning of the period	6,967	-
Less: Equipment payable at the end of the period	(884)	(904)
Less: Notes payable at the end of the period	(348)	(6,967)
Current cash payable	$ 75,557	$ 152,979

(XXXIII) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including those due within one year)	Bonds payable	Leases_ liabilities	Liabilities arising from financing activities
January 1, 2025	$ 217,497	$ 205,481	$ 97,790	$ 198,854	$ 719,622
Changes in financing cash flows	-	(50,353)	(300)	(56,886)	(107,539)
Other non-cash changes	-	-	(97,490)	2,030	(95,460)
Impact of exchange rate fluctuations	(9,363)	(6,127)	-	(6,777)	(22,267)
December 31, 2025	$ 208,134	$ 149,001	$ -	$ 137,221	$ 494,356

	Short-term borrowings	Long-term borrowings (including those due within one year)	Bonds payable	Leases liabilities	Liabilities arising from financing activities
January 1, 2024	$ 368,155	$ 264,803	$ -	$ 239,578	$ 872,536
Changes in financing cash flows	(151,374)	(52,108)	251,250	(57,594)	(9,826)
Other non-cash changes	-	-	(153,460)	14,915	(138,545)
Impact of exchange rate fluctuations	716	(7,214)	-	1,955	(4,543)
December 31, 2024	$ 217,497	$ 205,481	$ 97,790	$ 198,854	$ 719,622

VII. Related Party Transactions

(I) Parent company and ultimate controller

The Group is controlled by Jabon International Co., Ltd. (hereinafter referred to as “Jabon International”) (incorporated in the Republic of China), which owns 34.45% equity in the Company, and ABICO AVY Co., Ltd. holds 100% equity in Jabon International. The ultimate parent and ultimate controller of the Group is CHIA MEI INVESTMENT CO., LTD.

(II) Names of related parties and relations with the Company:

Names of related parties	Relations with the Group
Jabon International Co., Ltd. (parent company)	Parent company of the Group
ABICO AVY Co., Ltd.(ABICO AVY)	Same ultimate parent company
ABICO NetCom Co., Ltd.	Fellow subsidiary
Best Achieve Industries Limited (Best Achieve)	Fellow subsidiary
AVY Precision Metal Components (SuZhou) Co., Ltd. (AVY)	Fellow subsidiary
Best Select Industries (Suzhou) Co., Limited	Fellow subsidiary
JieCheng Co., Ltd.	Fellow subsidiary
EKEEN Precision Co., Ltd.	Fellow subsidiary
Prosper Plastic Factory (HK) Co., Ltd.(Prosper Plastic Factory (HK))	Fellow subsidiary
LEHING PLASTIC (SHENZHEN) LTD.	Fellow subsidiary
AVY Co., Ltd.	Fellow subsidiary
EKEEN Precision Co., Ltd.	Fellow subsidiary
Best Achieve Technology(M) SDN.BHD. (Best Achieve (M))	Fellow subsidiary
Honlynn Co., Ltd.	Fellow subsidiary
ABILITY TECHNOLOGY (DONGGUAN) CO., LTD.	Other related parties
Taishiba International Co., Ltd.	Substantive related party
Employee Welfare Committee of EKEEN Precision Co., Ltd.	Substantive related party

(III) Major transactions with related parties

1. Operating revenue

	2025	2024
Sales of goods:		
Fellow subsidiary	$ 29,752	$ 37,712

The transaction prices and payment terms of sales of goods do not significantly differ from those offered to regular customers.

2. Purchase

	2025	2024
Purchase of goods:		
Fellow subsidiary	$ 17,870	$ 69,475
Parent company	-	251
	$ 17,870	$ 69,726

The transaction price and payment terms for the purchase of goods do not significantly differ from those with other vendors.

3. Receivables from related parties

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable:			
Fellow subsidiary			
-AVY	$ 4,314	$ 3,677	$ 7,237
- Prosper Plastic Factory (HK)	1,639	1,822	1,326
-Best Achieve (M)	15	798	-
-Other	34	696	390
	$ 6,002	$ 6,993	$ 8,953

The receivables from related parties mainly arise from sales transactions with a payment term of 75 days at the end of the month. The receivables from related parties are not secured by collateral and are not subject to any mortgages or interest charges.

4. Payables to related parties

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts payable:			
Fellow subsidiary			
-Best Achieve (M)	$ -	$ 17,943	$ -
-Best Achieve	-	1,365	15,037
-Other	-	183	131
	$ -	$ 19,491	$ 15,168

	December 31, 2025	December 31, 2024	January 1, 2024
Other payables:			
Fellow subsidiary	$ 358	$ 134	$ 1,835
Substantive related party	13	-	-
Ultimate parent company	-	30	7
	$ 371	$ 164	$ 1,842

The payables to related parties mainly arise from purchase transactions with a payment term ranging from 60 to 90 days at the end of the month. These payables to related parties are not secured by collateral and do not incur any interest charges.

5. Prepayments

	December 31, 2025	December 31, 2024	January 1, 2024
Fellow subsidiary	$ 1,370	$ 1,046	$ 1,103
Other related parties	532	-	-
	$ 1,902	$ 1,046	$ 1,103

The transaction price and payment terms for the purchase of goods do not significantly differ from those with other vendors.

6. Lease transactions – lessee

(1) The Group leases premises from other related parties under a lease agreement for the period from 2022 to 2032, with rent payable in the middle of each month.

(2) Lease liabilities

A. Ending balance:

	December 31, 2025	December 31, 2024	January 1, 2024
Other related parties	$ 39,383	$ 45,322	$ 46,183

B. Interest expense

	2025	2024
Other related parties	$ 2,234	$ 2,548

7. Property Transactions

(1) Acquisition of other assets

		2025	2024
	Account name	Acquisition Costs	Acquisition Costs
Fellow subsidiary	Intangible assets	$ 675	$ 834

(2) Acquisition of property, plant and equipment

	2025	2024
Fellow subsidiary	$ 494	$ -

(3) Disposal of Property, Plant and Equipment

	2025		2024	
	Disposal proceeds	Disposal gain or loss	Disposal proceeds	Disposal gain or loss
Fellow subsidiary	$ 4	($ 29)	$ 1,309	$ -

8. On November 1, 2025, the Group acquired 100% of the equity interest in Shine Trade from its related party, Prosper Plastic Factory (HK), for US$1.

9. Operating expenses

	2025	2024
Fellow subsidiary	$ 4,282	$ 5,377
Substantive related party	65	38
Ultimate parent company	-	30
	$ 4,347	$ 5,445

The operating expenses mainly comprise lease expenses, service fees, and system support fees.

10. Other income

	2025	2024
Rental income:		
Fellow subsidiary	$ 397	$ 1,176

Rent is collected monthly at a price agreed upon by both parties.

11. Endorsements and guarantees provided by related parties

	December 31, 2025		December 31, 2024		January 1, 2024	
Fellow subsidiary						
-ABICO NetCom (Note 1)	$	47,145	$	49,178	$	46,058
-Prosper Plastic Factory (HK)(Note 2)		31,430		32,785		30,705
	$	78,575	$	81,963	$	76,763

Note 1: The original amounts of endorsements and guarantees as of December 31, 2025, December 31, 2024, and January 1, 2024, were all US$1,500 thousand.

Note 2: The original amounts of endorsements and guarantees as of December 31, 2025, December 31, 2024, and January 1, 2024, were all US$1,000 thousand.

(IV) Information on remuneration to key management personnel

	2025		2024	
Short-term employee benefits	$	39,751	$	38,587
Share-based payment		-		29
	$	39,751	$	38,616

VIII. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

	Book value			
Assets	December 31, 2025	December 31, 2024	January 1, 2024	Purpose of collateral
Land	$ 171,124	$ 178,879	$ 198,086	Short-term and long-term borrowings
Buildings and structures	45,640	50,732	34,013	Short-term and long-term borrowings
Time deposits – reported as financial assets at amortized cost – current	653	608	585	Electricity guarantee contract
	$ 217,417	$ 230,219	$ 294,104	

IX. Material contingent liabilities and unrecognized contractual commitments

(I) Contingent Matters

None.

(II) Commitments

The Group has provided the following details of endorsement and guarantee amounts to obtain a bank credit line:

Endorser/guarantor	Counterparty	December 31, 2025	December 31, 2024	January 1, 2024	Note
DaiichiKasei	IKKA HK	$ 60,240	$ 62,970	$ 65,160	Note 1

Note 1: The original amounts of endorsements and guarantees as of December 31, 2025, December 31, 2024, and January 1, 2024, were all JP$300,000 thousand.

X. Significant Disaster Losses

None.

XI. Significant Events after the Balance Sheet Date

The proposal for the 2025 earnings appropriation, approved by the Board of Directors on March 11, 2026, is detailed in Note 6(20).

XII. Others

(I) Capital management

The objectives of the Group's capital management are to ensure that the Group can continue as a going concern, maintain the best capital structure to reduce the capital cost, and provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

(II) Financial instruments

1. Types of financial instruments

	December 31, 2025	December 31, 2024	January 1, 2024
Financial assets			
Financial assets at fair value through profit or loss			
Financial liabilities held for trading	$ -	$ 704	$ -
Financial assets at fair value through other comprehensive income			
Selected designated equity instrument investments	44,878	34,792	86,460
Financial assets at amortized cost			
Cash and cash equivalents	1,355,163	1,364,048	1,012,469
Financial assets at amortized cost – time deposits with an original maturity of more than 3 months	64,338	96,078	59,085
Notes receivable	92,504	14,677	25,407
Accounts receivable (including related parties)	644,093	904,114	996,556
Other receivables	4,632	3,887	4,874
Guarantee deposits paid	15,548	15,577	17,540
	$ 2,221,156	$ 2,433,173	$ 2,202,391
Financial liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	$ 208,134	$ 217,497	$ 368,155
Notes payable	85,954	137,533	136,053
Accounts payable (including related parties)	344,542	432,385	440,404
Other payables (including related parties)	257,828	291,898	327,522
Bonds payable	-	97,790	-
Long-term borrowings (including those due within one year)	149,001	205,481	264,803
Guarantee deposits received	708	717	483
	$ 1,046,167	$ 1,383,301	$ 1,537,420
Leases liabilities	$ 137,221	$ 198,854	$ 239,578

2. Risk management policy

(1) The Group's daily operations are affected by several financial risks, including market risk (such as exchange rate risk, interest rate risk, and price risk), credit risk, and

liquidity risk.

(2) The risk management work is carried out by the Group's Finance Department under the policy approved by the Board of Directors. The Group's Finance Department is responsible for identifying, evaluating, and avoiding financial risks through close collaboration with the Group's operating units. The Board of Directors has formulated written principles for overall risk management and provided written policies on specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of non-derivative financial instruments, and the investment of remaining liquidity.

3. The nature and levels of material financial risks

(1) Market Risk

Exchange rate risk

A. The Group's business involves a number of non-functional currencies (the Company's and some subsidiaries' functional currency is NTD, while other subsidiaries' functional currencies are Japanese Yen, Malaysian Ringgit, US Dollar, Chinese Yuan, and Thai Baht, etc.). Therefore, it is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities affected by significant exchange rate fluctuations is as follows:

	December 31, 2025		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			
USD:JPY	$ 8,703	156.54	$ 273,567
USD:RMB	5,115	7.03	161,651
USD:MYR	1,237	4.06	37,533
VND:USD	21,886,640	0.000038	26,102
USD:NTD	698	31.43	21,946
JPY:TWD	108,692	0.20	21,825
JPY:USD	78,031	0.0064	15,651
JPY:THB	683	0.20	136
RMB:USD	1,155	0.14	5,246
USD:THB	139	31.43	4,380
HKD:USD	1,054	0.13	4,257

(Foreign currency: functional currency)	Foreign currency (thousand)	December 31, 2025 Exchange rate	Carrying amount (NTD)
Financial liabilities			
Monetary item			
USD:RMB	$ 4,163	7.03	$ 131,542
USD:NTD	3,620	31.43	113,761
USD:JPY	796	156.54	25,023
JPY:THB	104,251	0.20	21,306
VND:USD	14,531,365	0.000038	17,505
USD:MYR	143	4.06	4,362
RMB:USD	764	0.14	3,484
HKD:RMB	314	0.90	1,274
HKD:USD	280	0.13	1,130

(Foreign currency: functional currency)	Foreign currency (thousand)	December 31, 2024 Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			
USD:JPY	$ 4,599	158.17	$ 152,696
USD:RMB	3,803	7.19	122,407
JPY:NTD	276,969	0.21	58,136
USD:MYR	967	4.47	30,556
USD:NTD	879	32.78	28,827
VND:USD	18,022,122	0.000039	23,162
JPY:USD	63,242	0.01	13,323
RMB:USD	2,642	0.15	11,904
HKD:USD	625	0.13	2,633
Financial liabilities			
Monetary item			
USD:RMB	$ 5,292	7.19	$ 170,357
JPY:THB	235,285	0.22	50,229
USD:JPY	1,105	158.17	36,698
VND:USD	15,741,433	0.000039	20,421
JPY:USD	65,137	0.01	13,725
USD:MYR	195	4.47	6,177
RMB:USD	775	0.15	3,685
NTD：USD	420	0.03	456

(Foreign currency: functional currency)	Foreign currency (thousand)	January 1, 2024 Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary item			
USD:JPY	$ 5,041	141.82	$ 155,286
USD:RMB	1,743	7.08	53,410
USD:MYR	848	4.59	24,926
JPY:USD	57,309	0.01	12,488
VND:USD	9,084,851	0.000042	11,439
RMB:USD	1,248	0.15	5,556
HKD:USD	361	0.13	1,424
Financial liabilities			
Monetary item			
USD:RMB	$ 6,044	7.08	$ 185,218
USD:NTD	4,092	30.72	125,708
JPY:THB	357,577	0.24	79,142
USD:JPY	998	141.82	30,728
JPY:USD	133,216	0.01	28,995
USD:MYR	632	4.59	18,615
VND:USD	12,944,511	0.000042	16,650
RMB:USD	726	0.15	3,231
NTD：USD	420	0.03	427

B. The aggregate amounts of realized and unrealized total foreign exchange gains of the Group’s monetary item recognized for 2025 and 2024, due to the material impact of exchange rate fluctuations, were NT$1,285 and NT$23,653, respectively.

C. The analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

		2025	
		Sensitivity analysis	
(Foreign currency: functional currency)	Fluctuation amplitude (%)	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary item			
USD:JPY	1%	$ 2,736	$ -
USD:RMB	1%	1,617	-
USD:MYR	1%	375	-
VND:USD	1%	261	-
USD:NTD	1%	219	-
JPY:TWD	1%	218	-
JPY:USD	1%	157	-
JPY:THB	1%	1	-
RMB:USD	1%	52	-
USD:THB	1%	44	-
HKD:USD	1%	43	-
Financial liabilities			
Monetary item			
USD:RMB	1%	1,315	$ -
USD:NTD	1%	1,138	-
USD:JPY	1%	250	-
JPY:THB	1%	213	-
VND:USD	1%	175	-
USD:MYR	1%	44	-
RMB:USD	1%	35	-
HKD:RMB	1%	13	-
HKD:USD	1%	11	-

		2024	
		Sensitivity analysis	
(Foreign currency: functional currency)	Fluctuation amplitude (%)	Effect on profit or loss	Effect on other_ comprehensive income
Financial assets			
Monetary item			
USD:JPY	1%	$ 1,527	$ -
USD:RMB	1%	1,224	-
JPY:NTD	1%	581	-

USD:MYR	1%	306	-
USD:NTD	1%	288	-
VND:USD	1%	232	-
JPY:USD	1%	133	-
RMB:USD	1%	119	-
HKD:USD	1%	26	-

		2024	
		Sensitivity analysis	
(Foreign currency: functional currency)	Fluctuation amplitude (%)	Effect on profit or loss	Effect on other comprehensive income
Financial liabilities			
Monetary item			
USD:RMB	1%	$ 1,704	$ -
JPY:THB	1%	502	-
USD:JPY	1%	367	-
VND:USD	1%	204	-
JPY:USD	1%	137	-
USD:MYR	1%	62	-
RMB:USD	1%	37	-
NTD：USD	1%	5	-

Price risk

A. The equity instruments to which the Group is exposed to price risk are financial assets at fair value through other comprehensive income held by the Group. In order to manage the price risk of equity instrument investments, the Group has diversified its investment portfolio, and the method of diversification is based on the limits set by the Group.

B. The Group mainly invests in equity instruments launched by companies at home and abroad, and the prices of those equity instruments will be affected by the uncertainty of the future values of said instruments. If the price of these equity instruments increases or decreases by 1%, with all other factors remaining unchanged, the profit or loss on other comprehensive income, for 2025 and 2024, due to being classified as equity investments at fair value through other comprehensive income would increase or decrease by NT$449 and NT$348, respectively.

Interest rate risk of cash flow and of fair value

A. The Group's interest rate risk mainly comes from long-term and short-term borrowings at floating rates, which exposes the Group to the cash flow interest rate risk. The Group's borrowings at floating rates during 2025 and 2024, were mainly denominated in JPY and USD.

B. The Group's borrowings are measured at amortized cost, and interest rates are contractually repriced annually, which exposes the Group to risk of future changes in market interest rates.

C. If the borrowing interest rate increases or decreases by 1%, with all other factors remaining unchanged, the profit before tax for 2025 and 2024 will decrease or increase by NT$3,571 and NT$4,230, respectively, mainly due to the corresponding change in interest expense resulting from floating-rate borrowings.

(2) Credit risk

A. The Group's credit risk is the risk of financial loss suffered by the Group arising from the failure of clients or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms, and to the contractual cash flows from investments in debt instruments classified as debt instruments measured at amortized cost and those at fair value through other comprehensive income.

B. The Group has established credit risk management from the Group's perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new client before deciding on payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial conditions, experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the use of credit limits is regularly monitored.

C. In accordance with the credit risk management procedures of the Group, default is considered to have occurred when contractual payments are overdue for more than 180 days according to the agreed payment term.

D. The Group adopts IFRS 9 to make an assumption as a basis for judging. When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

E. The Group adopts a simplified approach to estimate expected credit losses for clients' accounts receivable according to their client type with a provision matrix and loss rate method.

F. After the recourse procedures, the Group writes off the amount of the financial asset that cannot be reasonably expected to be recovered. However, the Group will continue to carry out legal recourse procedures to preserve the creditor's rights.

G. The Group adjusts its forward-looking considerations based on loss rates established using historical and current information for a specific period, to estimate the allowance for losses on accounts receivable. However, based on the aforementioned considerations and information, the Group does not expect any significant allowance for loss on accounts receivable and notes due to loss rates. The provision matrix for December 31, 2025, December 31, 2024, and January 1, 2024, is as follows:

	Not past due	1–90 days past due	91–180 days past due	Over 181 days past due	Total
December 31, 2025					
Expected loss rate	0.04%	0.00%	0.00%	0.00%	
Total book value	$ 716,892	$ 19,979	$ -	$ -	$ 736,871
Loss allowance	($ 274)	$ -	$ -	$ -	($ 274)

	Not past due	1–90 days past due	91–180 days past due	Over 181 days past due	Total
December 31, 2024					
Expected loss rate	0.05%	0.53%	0.00%	0.00%	
Total book value	$ 917,402	$ 1,879	$ -	$ -	$ 919,281
Loss allowance	($ 480)	($ 10)	$ -	$ -	($ 490)

	Not past due	1–90 days past due	91–180 days past due	Over 181 days past due	Total
January 1, 2024					
Expected loss rate	0.04%	1.02%	0.00%	0.00%	
Total book value	$1,011,546	$ 9,476	$ 1,471	$ -	$1,022,493
Loss allowance	($ 433)	($ 97)	$ -	$ -	($ 530)

H. The table of the changes in the Group's simplified allowance for losses on accounts receivable is as follows:

	2025	2024
	Accounts receivable	Accounts receivable
January 1	$ 490	$ 530
Reversal of impairment loss	(211)	(136)
Effect of exchange rate changes	(5)	96
December 31	$ 274	$ 490

I. The credit risk rating information on the Group's debt instrument investments measured at amortized cost is as follows:

	December 31, 2025			
		By duration		
	12 months	Significant increase in credit risk	Credit impaired	Total
Financial assets at amortized cost				
Time deposits with original maturities of more than three months	$ 64,338	$ -	$ -	$ 64,338

	December 31, 2024			
		By duration		
	12 months	Significant increase in credit risk	Credit impaired	Total
Financial assets at amortized cost				
Time deposits with original maturities of more than three months	$ 96,078	$ -	$ -	$ 96,078

	January 1, 2024			
		By duration		
	12 months	Significant increase in credit risk	Credit impaired	Total
Financial assets at amortized cost				
Time deposits with original maturities of more than three months	$ 59,085	$ -	$ -	$ 59,085

(3) Liquidity risk

A. Cash flow forecasts are performed by each of the Group's operating entities and aggregated by the Group's Finance Department. The Group's Finance Department monitors forecasts of the Group's liquidity requirements to ensure that it has sufficient funds to support operational needs, and maintains sufficient undrawn borrowing commitments at all times to ensure that the Group does not violate relevant borrowing limits or terms.

B. The remaining cash held by each operating entity is transferred back to the Group's Finance Department when it exceeds the operating capital management requirements. The Finance Department invests the surplus funds in interest-bearing demand deposits, time deposits, and marketable securities. The instruments selected have appropriate maturities or sufficient liquidity to meet the above forecasts and to provide adequate room for allocation.

C. The non-derivative financial liabilities of the Group are grouped as per due dates below and analyzed based on the remaining period from the balance sheet date to the contract maturity date. The contractual cash flows disclosed in the following table are undiscounted amounts.

	December 31, 2025		December 31, 2024		January 1, 2024	
Non-derivative financial liabilities:	Less than 1 year	Over 1 year	Less than 1 year	Over 1 year	Less than 1 year	Over 1 year
Leases liabilities	$ 29,940	$120,474	$ 46,706	$ 73,054	$ 63,023	$201,650
Long-term borrowings	35,600	116,260	51,286	158,742	54,027	217,051
Bonds payable	-	-	-	106,600		

Except as stated in the table above, the non-derivative financial liabilities of the Group are all due within one year.

(III) Fair Value Information

1. The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the TWSE/TPEx listed stocks held by the Group belong to this level.

Level 2: Inputs, other than quoted market prices within level 1, that are either directly or indirectly observable for assets or liabilities. The fair values of the convertible bond invested by the Group belong to this level.

Level 3: Unobservable inputs for assets or liabilities.

2. Financial instruments not measured at fair value

(1) Except for items listed in the table below, the carrying amount of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities, short-term borrowings, and

long-term borrowings (including those due within one year) are reasonable approximations of their fair values:

December 31, 2025: None.

	December 31, 2024			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Convertible bonds payable	$ 97,790	$ -	$ 96,718	$ -

January 1, 2024: None.

(2) The methods and assumptions used to estimate fair value are as follows:

Based on the reference interest rates from the bond yield curve provided by the Taipei Exchange, the average interest rate for the approximate duration of the convertible corporate bonds is calculated with interpolation. This average interest rate, plus a credit risk premium (bank loan interest rate, credit risk), is a reference value for the risk-adjusted discount rate to measure the present value.

3. The Group classifies financial instruments at fair value based on the nature, characteristics, and risks of the assets and liabilities, as well as their fair value levels. The relevant information is as follows:

(1) The Group classifies assets and liabilities according to their nature, and the relevant information was as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through other comprehensive income				
-Investments in equity instruments	$ 44,878	$ -	$ -	$ 44,878
-Expected sale of accounts receivable	-	168,260	-	168,260
	$ 44,878	$ 168,260	$ -	$ 213,138

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through profit or loss				
-Derivatives	$ -	$ 704	$ -	$ 704
Financial assets at fair value through other comprehensive income				
-Investments in equity instruments	34,792	-	-	34,792
-Expected sale of accounts receivable	-	100,067	-	100,067
	$ 34,792	$ 100,771	$ -	$ 135,563

January 1, 2024	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through other comprehensive income				
-Investments in equity instruments	$ 86,460	$ -	$ -	$ 86,460
-Expected sale of accounts receivable	-	107,239	-	107,239
	$ 86,460	$ 107,239	$ -	$ 193,699

(2) The methods and assumptions used by the Group to measure fair value are as follows:

A. Where the Group uses market quoted prices as the fair value input (i.e., Level 1), the tools are classified based on the characteristics as follows:

	TWSE/TPEx listed stocks	Stocks listed on the emerging stock market
Market quoted price	Closing price	Average transaction price on the last day

B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair values obtained through the valuation techniques, the Group refers to the present fair value of other financial instruments with similar conditions and characteristics or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date.

C. When evaluating non-standard and less complex financial instruments, such as debt instruments, interest rate swap contracts, foreign exchange swap contracts, and options, all without active markets, the Group adopts the valuation techniques widely used by market participants. The parameters used in the valuation models for such financial instruments are usually market-observable information.

D. The output of the valuation models is an estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and relevant control procedures, the management believes that valuation adjustments are appropriate and necessary, in order to properly express the fair value of financial instruments and non-financial instruments in the Consolidated Balance Sheet. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.

E. The Group incorporates credit risk assessment adjustments into the fair value considerations for financial instruments and non-financial instruments to reflect the counterparty's credit risk and the Group's credit quality, respectively.

4. There were no transfers between Level 1 and Level 2 for 2025 and 2024.

5. There were no transfers into or out of Level 3 for 2025 and 2024.

(IV) Reorganization under common control

On September 11, 2025, with the approval of the Chairman, the Group resolved to acquire 100% of the equity interest in Shine Trade from a related party, Prosper Plastic Factory (HK) Co., Ltd., in cash on November 1, 2025. The aforementioned transaction constituted a reorganization under common control and was accounted for using the book value method. In preparing the comparative consolidated financial statements, the Group retrospectively restated the consolidated financial statements as if the reorganization had occurred from the beginning of the earliest comparative period presented.

The effects of the restatement of the consolidated balance sheets as of December 31, 2024 and January 1, 2024 and the consolidated income statement for the year ended December 31, 2024 were as follows:

Consolidated balance sheet:

	December 31, 2024		
Accounting item	Amount before adjustment	Amount affected	Amount after adjustment
Assets			
Current Assets	$ 2,789,359	$ 26,341	$ 2,815,700
Non-current assets	1,046,467	54,110	1,100,577
Total assets	$ 3,835,826	$ 80,451	$ 3,916,277
Liabilities and equity			
Liabilities			
Current liabilities	$ 1,237,421	$ 42,634	$ 1,280,055
Non-current liabilities	542,202	47,210	589,412
Total liabilities	$ 1,779,623	$ 89,844	$ 1,869,467
Equity			
Share capital	$ 332,036	$ -	$ 332,036
Capital surplus	1,042,305	-	1,042,305
Retained earnings	769,089	-	769,089
Other equity	(87,227)	-	(87,227)
Equity attributable to owners of the parent	2,056,203	-	2,056,203
Equity attributable to former owner of business combination under common control	-	(29,516)	(29,516)
Non-controlling interests	-	20,123	20,123
Total equity	2,056,203	(9,393)	2,046,810
Total liabilities and equity	$ 3,835,826	$ 80,451	$ 3,916,277

Accounting item	January 1, 2024 Amount before adjustment	Amount affected	Amount after adjustment
Assets			
Current Assets	$ 2,549,363	$ 14,953	$ 2,564,316
Non-current assets	1,106,981	60,465	1,167,446
Total assets	$ 3,656,344	$ 75,418	$ 3,731,762
Liabilities and equity			
Liabilities			
Current liabilities	$ 1,435,994	$ 38,862	$ 1,474,856
Non-current liabilities	555,050	48,749	603,799
Total liabilities	$ 1,991,044	$ 87,611	$ 2,078,655

Accounting item	January 1, 2024 Amount before adjustment	Amount affected	Amount after adjustment
Equity			
Share capital	$ 294,524	$ -	$ 294,524
Capital surplus	802,772	-	802,772
Retained earnings	664,223	-	664,223
Other equity	(96,219)	-	(96,219)
Equity attributable to owners of the parent	1,665,300	-	1,665,300
Equity attributable to former owner of business combination under common control	-	(12,193)	(12,193)
Total equity	1,665,300	(12,193)	1,653,107
Total liabilities and equity	$ 3,656,344	$ 75,418	$ 3,731,762

Consolidated income statement:

Accounting item	2024 Amount before adjustment	Amount affected	Amount after adjustment
Operating revenue	$ 3,661,555	$ 26,073	$ 3,687,628
Operating cost	(2,939,663)	(26,031)	(2,965,694)
Operating expense	(478,165)	(18,192)	(496,357)
Non-operating income and expenses	36,831	(3,988)	32,843
Income tax expense	(88,892)	-	(88,892)
Net income for this period	$ 191,666	($ 22,138)	$ 169,528
Total comprehensive income for this period	$ 214,200	($ 22,696)	$ 191,504
Net profit attributable to:			
Parent company	$ 191,666	$ -	$ 191,666
Profit or loss of the preceding entity under common control	-	(17,359)	(17,359)
Non-controlling interests	-	(4,779)	(4,779)
	$ 191,666	($ 22,138)	$ 169,528

XIII. Supplementary Disclosures

(I) Significant Transactions

1. Loans to others: Table 1.
2. Endorsements/guarantees provided for other parties: Table 2.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates, and joint ventures): Table 3.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of paid-in capital: Table 4.
5. Receivables from related parties amounting to at least NT$100 million or 20% of paid-in capital: None.
6. Material intercompany transactions and amounts: Table 5.

(II) Information on Investees

Information on investees (name, location, etc.) (excluding investees in Mainland China): Table 6.

(III) Information on Investment in Mainland China

1. Basic information: Table 7.
2. Significant transactions with investees in Mainland China, either directly or indirectly, through a business in a third region: None.

XIV. Segment information

(I) General information

The management of the Group is classified according to business strategies, while operations and organization of companies are also categorized according to business strategies. The current business strategies of the Company are mainly categorized by regions: Japan, Vietnam, the People's Republic of China (including Hong Kong), Malaysia, and Thailand. The management of the Group has identified reportable segments based on the reporting information used by management in formulating strategies.

(II) Department information on profit and loss, assets and liabilities

The information on reportable departments provided to the chief decision maker is as follows:

	2025						
	Japan	Vietnam	China (including Hong Kong)	Thailand	Other Asian regions	Adjustment and elimination	Total
Income:							
Revenue from external customers	$1,475,929	$765,890	$ 558,385	$ 437,799	$150,169	$ -	$3,388,172
Inter-segment income	121,067	13,202	286,243	3,826	24	(424,362)	-
Total income	$1,596,996	$779,092	$ 844,628	$ 441,625	$150,193	($424,362)	$3,388,172
Segment income or loss	$ 251,095	$ 69,292	$ 27,127	$ 13,670	$147,873	($334,535)	$ 174,522
Segment income or loss includes:							
Depreciation and amortization	$ 57,720	$ 18,414	$ 69,179	$ 30,098	$ 7,978	$ -	$ 183,389
Interest income	$ 3,662	$ 17	$ 9,110	$ 120	$ 1,946	($ 2,192)	$ 12,663
Income tax expense	$ 42,178	$ 13,795	($ 8,851)	($ 9,361)	$ 13,081	$ -	$ 50,842
Interest expense	$ 6,569	$ -	$ 5,172	$ 852	$ 2,413	($ 2,192)	$ 12,814

	2024						
	Japan	Vietnam	China (including Hong Kong)	Thailand	Other Asian regions	Adjustment and_ elimination	Total
Income:							
Revenue from external customers	$1,488,247	$803,843	$ 718,536	$ 461,903	$215,099	$ -	$3,687,628
Inter-segment income	127,327	11,396	365,875	1,679	13,594	(519,871)	-
Total income	$1,615,574	$815,239	$1,084,411	$ 463,582	$228,693	($519,871)	$3,687,628
Segment income or loss	$ 310,825	$ 77,897	$ 137,441	$ 41,725	$197,039	($506,507)	$ 258,420
Segment income or loss includes:							
Depreciation and amortization	$ 51,162	$ 22,250	$ 74,656	$ 31,239	$ 7,387	$ -	$ 186,694
Interest income	$ 27	$ 53	$ 5,128	$ -	$ 3,960	$ 1,119	$ 10,287
Income tax expense	$ 58,995	$ 27,263	$ 163	$ 2,145	$ 326	$ -	$ 88,892
Interest expense	$ 5,149	$ -	$ 6,213	$ -	$ 5,728	$ 1,759	$ 18,849

(III) Geographical information

Geographical information for 2025 and 2024 is shown below:

	2025		2024	
	Income	Non-current assets	Income	Non-current assets
Japan	$1,471,655	$ 480,240	$1,473,167	$ 525,400
China	567,458	200,168	731,448	267,242
Vietnam	536,554	95,898	602,208	109,804
Thailand	439,696	53,598	464,165	70,314
Malaysia	237,404	47,758	190,983	47,341
Singapore	129,879	-	209,822	-
Others	5,526	2,230	15,835	3,141
	$3,388,172	$ 879,892	$3,687,628	$1,023,242

(IV) Key customer information

Key customer information in 2025 and 2024 is shown below:

	2025	2024
	Income	Income
Company A	$ 966,028	$ 1,008,173
Company B	606,803	653,580
Company C	528,046	522,698

IKKA Holdings (Cayman) Ltd. and Subsidiaries
Loans to Other Parties
For the Year Ended December 31, 2025

Table 1

Unit: Thousands of NTD
(Unless Otherwise Specified)

No. (Note 1)	Lender	Borrower	Account Name (Note 2)	Related party (Y/N)	Maximum Amount for the Period (Note 3)	Closing Balance (Note 8)	Actual Amount Drawn Down	Interest Rate Range	Nature of Loan (Note 4)	Business Transaction Amount (Note 5)	Reason for Short-term Loans (Note 6)	Provision for Doubtful Debts	Collateral		Limit on Loans Granted to a Single Entity (Note 7)	Limit on Total Loans Granted (Note 7)	Remark
													Item	Value			
1	DaiichiKasei	IKKA Holdings (Cayman) Ltd.	Other receivables	Y	$ 110,005	$ 110,005	$ 110,005	5.60	Short-term financing	-	Operating turnover	-	-	-	$ 1,862,942	$ 1,862,942	Note 1
1	DaiichiKasei	IKKA Technology DongGuan	Other receivables	Y	92,969	75,825	75,825	-	Short-term financing	-	Operating turnover	-	-	-	1,862,942	1,862,942	Note 1
2	IKKA HK	IKKA Technology DongGuan	Other receivables	Y	50,222	47,538	47,538	-	Short-term financing	-	Operating turnover	-	-	-	542,332	542,332	Note 1
3	Sol-Plus JP	Hiraiseimitsu	Other receivables	Y	43,394	18,965	18,965	-	Short-term financing	-	Operating turnover	-	-	-	227,156	227,156	Note 1
3	Sol-Plus JP	Hiraiseimitsu	Other receivables	Y	5,605	5,020	5,020	1.50	Short-term financing	-	Operating turnover	-	-	-	227,156	227,156	Note 1

Note 1: The Companies are coded as follows:
(1). The issuer is coded as “0”
(2). Each investee company is sequentially numbered starting from "1".

Note 2: The following items related to accounts receivable from related parties, accounts receivable from related parties, shareholder transactions, prepaid payments, temporary payments, and any other items of a similar nature, if they belong to the category of loan, must be entered in this field.

Note 3: The maximum balance amount loaned to others during this year.

Note 4: The nature of the loan should be indicated as a business transaction or a short-term financing necessity.

Note 5: If the nature of the loan is a business transaction, the amount of the business transaction should be indicated. The amount of business transactions refers to the amount of business transactions between the lending company and the loan recipient in the most recent year.

Note 6: If a loan is necessary for short-term financing, the reason for the necessary loan and the use of loans by the loan recipient should be specifically stated, such as repayment of loans, purchase of equipment, operating support, etc.

Note 7 The calculation of the limit of financing:
For companies or merchants that are in need of short-term financing, when the Company lends funds, the total amount shall not exceed 40% of the net value of the Company, and the individual loan amount shall not exceed 30% of the net value of the Company's most recent audited, certified, or reviewed financial statements.
However, the foreign companies that directly and indirectly hold 100% of the voting shares are not subject to the restrictions in the preceding paragraph.The total amount of loans and the total amount of loans to a single enterprise shall not exceed 100% of the net value of the lending company.

Note 8: If a public company submits a Board of Directors' resolution for a loan of funds on an individual basis pursuant to Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of the Board of Directors’ resolution should be included in the balance of the announcement to disclose the risk it has assumed, even though the loans have not yet been appropriated.
However, the balance of the loan after repayment of the funds should be disclosed to reflect the adjustment of the risk. If the Board of Directors of a public company has authorized the chairman to loan funds in installments or grant revolving credit lines within certain monetary limits and within a period not exceeding one year in accordance with Article 14, paragraph 2 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the reported balances of loans should include the amount of credit available under such installment loans or credit lines approved by the board, and such credit should not be excluded from the balances even when the funds are subsequently repaid, considering that they could still be drawn down again.

IKKA Holdings (Cayman) Ltd. and Subsidiaries

Endorsements/Guarantees Provided for Other Parties

For the Year Ended December 31, 2025

Table 2

Unit: Thousands of NTD
(Unless Otherwise Specified)

No. (Note 1)	Guarantor	Counterparty of Endorsement/ Guarantee		Limits on Endorsement/ Guarantee for A Single Entity (Note 3)	Highest Balance of Endorsement Guarantee for the Period (Note 4)	Closing Balance of Endorsement/ Guarantee (Note 5)	The Actual Amount Drawn Down (Note 6)	Amount of Endorsement/ Guarantee Secured by Collateral	Ratio of Cumulative Endorsements/ Guarantees to Net Value in the Latest Financial Statement	Upper Limit on Endorsements /Guarantees	Endorsement/ Guarantee Provided by Parent for Subsidiary (Note 8)	Endorsement /Guarantee Provided by Subsidiary for Parent (Note 8)	Endorsement/ Guarantee for Entities in Mainland China (Note 8)	Remark
		Counter-party	Relationship (Note 2)											
1	DaiichiKasei	IKKA HK	2	$ 745,177	$ 67,260	$ 60,240	$ -	$ -	3.23	$ 1,304,059	N	N	N	Note 2

Note 1: The Companies are numbered as follows:
(1). The issuer is numbered as “0”.
(2). The investees are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: There are 7 types of relationships between the endorser/guarantor and the counterparty, and the codes for each relationship are explained as follows:
(1). Companies with business relationship.
(2). Subsidiaries in which there is a direct holding of more than 50% of the ordinary shares.
(3). An investee in which the parent company and subsidiaries jointly hold more than 50% of common shares.
(4). A parent company that directly or indirectly through its subsidiaries holds more than 50% of the common shares of the Company.
(5). A company to which mutual guarantees are provided in accordance with a contract with a company in the same industry arising from a project.
(6). A company to which a guarantee is provided by each of the joint shareholders in accordance with their shareholding ratio in a joint venture.
(7). Joint and several guarantees for pre-sale housing sales contracts jointly with companies in the same industry in accordance with the Consumer Protection Act.

Note 3: The total ceiling on endorsements and guarantees shall not exceed 70% of the net value stated in the Company's most recent financial statements audited or reviewed by a certified public accountant. The endorsement and guarantee limit for a single enterprise, excluding subsidiaries in which the Company directly or indirectly holds more than 90% of the ordinary shares, shall not exceed 40% of the net value stated in the most recent financial statements audited or reviewed by an accountant. The remainder shall not exceed 30% of the Company's current net value.

Note 4: The maximum balance of endorsement/guarantee for others for the current year.

Note 5: The amount approved by the board of directors should be shown. However, if the board of directors authorizes the chairman of the board of directors to make a resolution in accordance with Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount shown shall be the amount resolved by the board of directors.

Note 6: The actual amount of the endorsed/guaranteed company's expenditures within the range of the endorsement/guarantee balance should be presented.

Note 7: Y” should only be filled for endorsements/guarantees provided by publicly traded parent company and subsidiaries, those provided by subsidiaries to publicly traded parent company, and those in Mainland China.

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IKKA Holdings (Cayman) Ltd. and Subsidiaries
Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and Joint Ventures)
As of December 31, 2025

Table 3

Unit: Thousands of NTD
(Unless Otherwise Specified)

Holder	Type and Name of Securities (Note 1)	Relationship with the Issuer (Note 2)	Account Name	End of the Period				Remark (Note 4)
				Shares (Thousand shares)	Book Value (Note 3)	Shareholding	Fair Value	
IKKA Holdings	Stock JET Optoelectronics Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income – non-current	1,177	$ 27,326	1.96%	$ 27,326	Unpledged
IKKA Holdings	Partnerships Changneng Capital Limited Partnership	-	Financial assets measured at fair value through other comprehensive income – non-current	1,000	9,347	1.62%	9,347	Unpledged
IKKA Holdings	Stock Mantis Robotics Inc	-	Financial assets measured at fair value through other comprehensive income – non-current	231	8,205	1.11%	8,205	Unpledged

Note 1: The term “securities” mentioned in this table refers to stocks, bonds, beneficiary certificates and securities derived from the above-mentioned items within the scope of IFRS 9, “Financial Instruments”.

Note 2: If the issuer of securities is not a related party, the column is exempted.

Note 3: If the securities are measured at fair value, the carrying amount in the column should be the carrying amount balance after fair value adjustment, net of accumulated impairment; if the securities are not measured at fair value, the carrying amount balance in the column should be the carrying amount at acquisition cost or amortized cost, net of accumulated impairment.

Note 4: If any of the listed securities are subject to restrictions on use due to guarantees, pledged loans, or other agreements, the number of shares guaranteed or pledged, the amount of guarantee or pledge, and the circumstances under which the use is restricted should be stated in the Remark column.

IKKA Holdings (Cayman) Ltd. and Subsidiaries
Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 million or 20% of Paid-in Capital
For the Year Ended December 31, 2025

Table 4

Unit: Thousands of NTD
(Unless Otherwise Specified)

			Transaction Status				Circumstances and Reasons for Transaction Conditions Differing from Arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		
Purchaser (Seller)	Transaction Counterparty	Relationship	Purchases (Sales)	Amount	Ratio of Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Total Receivable (Payable) Notes and Accounts	Note (Note 2)
IKKA HK	DaiichiKasei	Same Parent Company	Sales	$ 113,853	3%	O/A 60 days	No significant difference	Comparable to general customers	$ 27,116	4%	-
IKKA Precision	IKKA HK	Same Parent Company	Sales	170,124	5%	O/A 60 days	No significant difference	Comparable to general customers	28,236	4%	-

Note 1: If the transaction terms with related parties differ from general transaction terms, the differences and reasons should be specified in the unit price and credit period columns.

Note 2: If there are any advance receipts (payments), the reasons, contractual terms, amounts, and differences from general transaction types should be stated in the remark column.

Note 3: The paid-in capital refers to the paid-in capital of the parent company.For an issuer whose shares have no par value or a par value other than NT$10, the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to the owners of the parent on the balance sheet.

Note 4: Disclosed based on revenue, the relative transaction will no longer be disclosed.

IKKA Holdings (Cayman) Ltd. and Subsidiaries
Material Inter-company Transactions and Amounts
For the Year Ended December 31, 2025

Table 5

Unit: Thousands of NTD
(Unless Otherwise Specified)

No. (Note 1)	Purchaser (Seller)	Transaction Counterparty	Relationship with the Company	Transaction				
				Account Title		Amount	Transaction Terms	Percentage of Consolidated Revenues or Total Assets (Note 3)
2	IKKA HK	DaiichiKasei	3	Sales revenue	$	113,853	O/A 60 days	3%
4	IKKA Precision–	IKKA HK	3	Sales revenue		170,124	O/A 60 days	5%

Note 1: The information on business transactions between the parent company and subsidiaries should be indicated in the number column separately, and the number should be filled in as follows

(1). The parent company is coded as "0".

(2). The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: There are three types of relationships with the transacting party (purchaser/seller). Only the type is required to indicate. (For intercompany transactions, such as between a parent and its subsidiary, or between subsidiaries, duplicate disclosure is not required. For example, if a parent company has already disclosed a transaction with its subsidiary, the subsidiary does not need to disclose it again.

Similarly, if one subsidiary has disclosed its transaction with another subsidiary, the latter does not need to repeat the disclosure.):

(1). Parent company to subsidiary

(2). Subsidiary to parent company

(3). Subsidiary to subsidiary

Note 3: The ratio of the transaction amount to consolidated total revenues or total assets calculation: for balance sheet items, it is calculated as the ending balance to consolidated total assets for balance sheet items and for profit or loss items, it is calculated as the interim cumulative amount to consolidated total operating revenues.

Note 4: The materiality principle of this statement is based on the ratio of the transaction amount to 3% of the consolidated total revenue or total assets. In addition, assets and revenues are disclosed on an asset and revenue basis, and the related transactions are not disclosed.

IKKA Holdings (Cayman) Ltd. and Subsidiaries
Information on Investees (Name, Location, etc.) (Investees in the Mainland Area Are Excluded)
For the Year Ended December 31, 2025

Table 6

Unit: Thousands of NTD
(Unless Otherwise Specified)

Investor	Investee (Note 1, 2)	Location	Main Businesses	Initial Investment Amount		Closing Balance			Net Income (Loss) of Investee (Note 2(2))	Investment (Income) Loss Recognized (Note 2(3))	Remark
				End of the Period	End of Last Year	Number of Shares	Ownership (%)	Carrying amount			
IKKA Holdings	DaiichiKasei	Japan	Manufacturing precision plastic injection molding parts and molding sets, molds and machinery, and precision ceramics molding parts	$ 627,091	$ 627,091	64,081	100.00	$ 1,862,942	$ 178,940	$ 178,940	Subsidiary
IKKA Holdings	Sol-Plus HK	Hong Kong	Investment business	282,535	282,535	7,000,000	100.00	293,659	32,425	32,425	Subsidiary
DaiichiKasei	M.A.C. Technology	Malaysia	Assembly and manufacturing of CD and CD-ROM, computer printers, precision ceramics and molds for electronic and industrial use, and plastic injection components for the electronic and camera industries	380,603	380,603	41,665,000	100.00	145,569	(4,516)	(4,516)	Sub-subsidiary
DaiichiKasei	IKKA Vietnam	Vietnam	Production, operation, and processing of automobiles and common plastic and metal parts for office equipment	58,346	58,346	2,500,000	100.00	284,910	55,497	55,497	Sub-subsidiary
DaiichiKasei	IKKA HK	Hong Kong	Investment and trade	292,545	292,545	80,067,000	100.00	542,332	15,585	15,585	Sub-subsidiary
IKKA HK	Shine Trade	British Virgin Islands	Manufacturing and selling plastic products and molds	-	180,875	2,800	100.00	(27,391)	(18,237)	(2,645)	Sub-subsidiary
Sol-Plus HK	Sol-Plus JP	Japan	Manufacturing and selling plastic products and molds	191,587	191,587	3,404,019,254	100.00	227,156	30,441	30,441	Sub-subsidiary
Sol-Plus JP	Hiraiseimitsu	Thailand	Manufacturing and selling plastic products and molds	250,708	250,708	2,500,000	100.00	118,944	22,910	22,910	Sub-subsidiary

Note 1: If a public company has a foreign holding company and, in accordance with local laws and regulations, uses consolidated financial statements as its primary financial report, the disclosure of information about the foreign investee may be limited to the relevant information about the holding company.

Note 2: For cases other than those described in Note 1, the following rules apply:

(1) The columns for “Investee”, “Location”, “Main business”, “Initial investment amount”, and “Closing balance” shall be completed in order based on the reinvestment status of the (public) Company and each directly or indirectly controlled investee, and specify the relationships between the investee and the (public) company in the “Remark” column (such as subsidiary or sub-subsidiary).

(2) The “Net profit (loss) of investee for the period” column should be filled in with the amount of each investee's profit or loss for the current period.

(3) The column of “Investment Income (Loss) Recognized by the Company for the current period” should be filled in with the amount of income profit or loss only for the subsidiaries in which the (public) company has recognized direct investment and the equity-method investees, and the rest should be exempted. When filling in the column “Amount of profit or loss for the period of each subsidiary recognized as direct investment,” it should be confirmed that the amount of profit or loss for the period of each subsidiary has included the profit or loss of the investment that should be recognized in accordance with the regulations on the reinvestment of the subsidiary

IKKA Holdings (Cayman) Ltd. and Subsidiaries
Investment in Mainland China－General Information
For the Year Ended December 31, 2025

Table 7

Unit: Thousands of NTD
(Unless Otherwise Specified)

Investee in Mainland China	Main Business	Paid-in Capital	Method of Investment (Note 1)	Accumulated Investment Outflow from Taiwan as of Beginning of the Period	Investments Flows during the Period		Accumulated Investment Outflow from Taiwan as of End of the Period	Net income (loss) of investee	Direct or Indirect Shareholding Ratio	Investment Income (Loss) Recognized for the Period (Note 2)	Carrying amount of Investment at End of the Period	Investment Income Repatriated as of End of the Period	Remark
					Outflow	Inflow							
IKKA Technology DongGuan Co., Ltd.	Production and sale of precise plastic accessories, hardware accessories, bearings, and molds	$232,837	2	$ -	$ -	$ -	$ -	$ 7,406	100.00	$ 7,406	$ 425,150	$ -	Note 2(2)B and Note 5
Dongguan Yaxin Precision PlasticCo., Ltd.	Manufacturing and selling plastic products and molds	194,690	2	-	-	-	-	(18,237)	100.00	(2,645)	(27,391)	-	Note 2(2)B and Note 5

Company Name	Accumulated Outward Remittance for Investment from Taiwan as of the end of the period	Investment amount authorized by Investment Commission, MOEA	Upper limit on the amount of investment stipulated by Investment Commission, MOEA
-	Note 4	Note 4	Note 4

Note 1: There are three types of investments:
(1). Direct investment in mainland China.
(2). Reinvestment in Mainland China via a third-region company (please specify the investee in that third region)
(3). Investments using other methods.

Note 2: In the "Investment profit (loss) for the period" column:
(1). If there is no investment gain or loss in the preparatory stage, it should be noted.
(2). The basis for recognized investment income or loss is categorized into the following 3 types, which should be noted.
A. The financial statements were audited by an international certified public accounting firm in cooperation with a Republic of China accounting firm.
B. The financial statements were audited by auditors of the parent company.
C. Others.

Note 3: Relevant figures in this table should be presented in new Taiwan dollars.

Note 4: The Company is not an entity incorporated in the Republic of China, so it is not applicable.

Note 5: Investment in mainland China through an investee in the third region (IKKA HK Investment).