

**MACAUTO INDUSTRIAL CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2025 AND 2024

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial the statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

MACAUTO INDUSTRIAL CO., LTD.

Chou, Yu-Shan, Chairman

March 13, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Macauto Industrial Co., Ltd.:

Opinion

We have audited the accompanying consolidated balance sheets of Macauto Industrial Co., Ltd. and subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters have been addressed in the context of our audit of the 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 stated as follows:

Valuation of inventories

Description

Refer to Note 4(9) for the accounting policy on inventory valuation, Note 5(2) for uncertainty in accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventory and allowance for inventory market price decline.

The Group's main business is the manufacture and sale of various Automobile Sun Shade and other related products. These inventories will be affected by factors such as market demand and styles of different vehicle types. Therefore, there is a certain risk of inventory impairment. The Group measures its inventories at the lower of cost and net realizable value. For inventory aged over a certain period, individual identification of net realizable value is adopted, and related losses are recognized.

The allowance for valuation loss mainly arises from identifying inventory aged over a certain period and its valuation based on net realizable value. The procedure of such identification involves subjective judgment, which might result in a high degree of estimation uncertainty. Considering that the Group's inventory and the allowance for inventory valuation losses are material to the financial statements, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Assessed the reasonableness of policies and procedures in relation to the provision of allowance for inventory valuation losses based on the accounting principles and our understanding of the nature of the business and the industry.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Selected samples from inventory items by each sequence number to verify its net realizable value and evaluated the reasonableness of allowance for inventory valuation loss.
4. Sampled the calculation of net realizable value of individual inventories and compared with the recorded amounts.

Existence of sales revenue from auto sun shades for export

Description

Refer to Note 4(25) for the accounting policy on revenue recognition and Note 6(19) for details of revenue.

The Group's main source of revenue is the manufacturing and sales of related products such as auto sun shades, and is primarily focused on exports. Due to the diverse and dispersed nature of its customer base, which includes global Tier 1 automotive suppliers and international car manufacturers, and the large volume of transactions involved in its sales revenue, verifying the authenticity of these transactions also requires a considerable amount of time. Thus, we considered the existence of sales revenue from auto sun shades for export as one of the key audit matters for this year's audit.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Evaluated the internal control system designed and implemented by the management for customer credit checks, reviewed the documents related to transaction partners and credit assessments, and ensured that they have been properly approved.
2. Verified the basic information of significant sales partners and analyzed the sales amounts and trends of two periods to assess the reasonableness of their sales amounts and nature.
3. Performed a series verification sample test for the sales revenue transactions of the year, including vouching customers' orders, shipping orders, export declaration documents, customer receipt records and sales invoices or subsequent receipts, to confirm whether the sales revenue transactions really occurred.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Macauto Industrial Co., Ltd. as at and for the years ended December 31, 2025 and 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Fang-Ting

Independent Accountants

Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 13, 2026

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

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,532,143	24	\$ 1,097,994	19
1136	Financial assets measured at	6(2)				
	amortized cost - current		364,176	6	447,543	7
1150	Notes receivable, net	6(3) and 8	81,834	1	76,526	1
1170	Accounts receivable, net	6(3) and 12(2)	1,170,324	18	1,181,031	20
1200	Other receivables		44,262	1	38,791	1
130X	Inventory	5(2) and 6(4)	1,190,524	19	1,171,079	20
1410	Prepayments	6(5)	228,892	4	189,497	3
11XX	Total current assets		4,612,155	73	4,202,461	71
Non-current assets						
1535	Financial assets measured at	6(2)				
	amortized cost - non-current		-	-	44,780	1
1600	Property, plant and equipment	6(6) and 8	1,331,334	21	1,302,790	22
1755	Right-of-use assets	6(7)	53,945	1	59,964	1
1760	Investment property, net	6(8) and 8	81,482	1	81,482	2
1780	Intangible assets	6(9)	10,470	-	12,013	-
1840	Deferred income tax assets	6(26)	94,536	2	97,935	2
1915	Prepayments for business facilities		95,170	2	58,576	1
1920	Guarantee deposits paid	6(1) and 8	10,430	-	9,085	-
1990	Other non-current assets		20,178	-	18,506	-
15XX	Total non-current assets		1,697,545	27	1,685,131	29
1XXX	Total assets		\$ 6,309,700	100	\$ 5,887,592	100

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MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 300,000	5	\$ 290,000	5
2120	Financial liabilities at fair value through profit or loss - current	6(11)	-	-	504	-
2130	Current contract liabilities	6(19)	78,930	1	83,143	1
2150	Notes payable		1,476	-	761	-
2170	Accounts payable		1,075,382	17	890,951	15
2200	Other payables	6(12)	529,258	8	465,084	8
2230	Current income tax liabilities	6(26)	60,643	1	37,438	1
2250	Provisions for liabilities - current	6(13)	121,983	2	125,011	2
2280	Lease liabilities - current	6(7)	28,360	1	25,971	1
2320	Long-term liabilities, current portion	6(14)	8,643	-	19,672	-
2365	Refund liabilities - current		122,219	2	119,452	2
21XX	Total current liabilities		2,326,894	37	2,057,987	35
Non-current liabilities						
2540	Long-term borrowings	6(14)	31,000	1	9,016	-
2570	Deferred income tax liabilities	6(26)	23,462	-	11,559	-
2580	Lease liabilities - non-current	6(7)	20,157	-	34,579	1
2640	Net defined benefit liabilities - non-current	6(15)	84,973	1	96,122	2
2645	Guarantee deposits received		2,483	-	2,204	-
25XX	Total non-current liabilities		162,075	2	153,480	3
2XXX	Total liabilities		2,488,969	39	2,211,467	38
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(16)	733,000	12	749,000	13
3200	Capital surplus	6(17)	-	-	3,082	-
	Retained earnings	6(18)				
3310	Legal reserve		723,423	12	691,195	12
3320	Special reserve		27,820	-	30,533	-
3350	Unappropriated retained earnings		2,344,526	37	2,230,135	38
3400	Other equity interest		20,473	-	(27,820)	(1)
3500	Treasury shares	6(16)	(28,511)	-	-	-
3XXX	Total equity		3,820,731	61	3,676,125	62
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 6,309,700	100	\$ 5,887,592	100

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31				
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 6,324,080	100	\$ 5,519,594	100
5000	Operating costs	6(4)(9)(15)(24)(25)	(4,791,676)	(76)	(4,193,896)	(76)
5900	Net operating margin		<u>1,532,404</u>	<u>24</u>	<u>1,325,698</u>	<u>24</u>
	Operating expenses	6(9)(15)(24)(25) and 7				
6100	Selling expenses		(562,467)	(9)	(498,287)	(9)
6200	General and administrative expenses		(325,210)	(5)	(292,804)	(5)
6300	Research and development expenses		(211,514)	(3)	(201,665)	(4)
6450	Expected credit losses	12(2)	(25)	-	(17,941)	-
6000	Total operating expenses		(1,099,216)	(17)	(1,010,697)	(18)
6900	Operating income		<u>433,188</u>	<u>7</u>	<u>315,001</u>	<u>6</u>
	Non-operating income and expenses					
7100	Interest income	6(2)(20)	40,062	1	33,831	1
7010	Other income	6(21)	30,142	-	26,540	-
7020	Other gains and losses	6(7)(11)(22) and 12	19,890	-	20,204	-
7050	Finance costs	6(7)(23)	(8,829)	-	(8,242)	-
7000	Total non-operating income and expenses		<u>81,265</u>	<u>1</u>	<u>72,333</u>	<u>1</u>
7900	Profit before income tax		<u>514,453</u>	<u>8</u>	<u>387,334</u>	<u>7</u>
7950	Income tax expense	6(26)	(124,564)	(2)	(72,903)	(1)
8200	Net profit for the year		<u>\$ 389,889</u>	<u>6</u>	<u>\$ 314,431</u>	<u>6</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans	6(15)	\$ 5,975	-	\$ 9,808	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(1,195)	-	(1,962)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		<u>48,293</u>	<u>1</u>	<u>2,713</u>	<u>-</u>
8300	Total other comprehensive income for the year		<u>\$ 53,073</u>	<u>1</u>	<u>\$ 10,559</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 442,962</u>	<u>7</u>	<u>\$ 324,990</u>	<u>6</u>
	Net profit attributable to:					
8610	Owners of the parent		<u>\$ 389,889</u>	<u>6</u>	<u>\$ 314,431</u>	<u>6</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 442,962</u>	<u>7</u>	<u>\$ 324,990</u>	<u>6</u>
	Earnings per share (in dollars)	6(27)				
9750	Basic		<u>\$ 5.27</u>		<u>\$ 4.20</u>	
9850	Diluted		<u>\$ 5.23</u>		<u>\$ 4.18</u>	

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent								
	Notes	Share capital - common stock	Capital surplus	Retained Earnings		Other Equity Interest	Treasury shares	Total equity
		Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		
<u>For the year ended December 31, 2024</u>								
Balance at January 1, 2024		\$ 749,000	\$ 3,082	\$ 648,243	\$ 79,644	\$ 2,156,359	(\$ 30,533)	\$ 3,605,795
Net income for the year ended December 31, 2024		-	-	-	-	314,431	-	314,431
Other comprehensive income for the year ended December 31, 2024		-	-	-	-	7,846	2,713	10,559
Total comprehensive income for the year ended December 31, 2024		-	-	-	-	322,277	2,713	324,990
Distribution of 2023 net income:								
Legal reserve		-	-	42,952	-	(42,952)	-	-
Reversal of special reserve		-	-	-	(49,111)	49,111	-	-
Cash dividends	6(18)	-	-	-	-	(254,660)	-	(254,660)
Balance at December 31, 2024		\$ 749,000	\$ 3,082	\$ 691,195	\$ 30,533	\$ 2,230,135	(\$ 27,820)	\$ 3,676,125
<u>For the year ended December 31, 2025</u>								
Balance at January 1, 2025		\$ 749,000	\$ 3,082	\$ 691,195	\$ 30,533	\$ 2,230,135	(\$ 27,820)	\$ 3,676,125
Net income for the year ended December 31, 2025		-	-	-	-	389,889	-	389,889
Other comprehensive income for the year ended December 31, 2025		-	-	-	-	4,780	48,293	53,073
Total comprehensive income for the year ended December 31, 2025		-	-	-	-	394,669	48,293	442,962
Distribution of 2024 net income:								
Legal reserve		-	-	32,228	-	(32,228)	-	-
Reversal of special reserve		-	-	-	(2,713)	2,713	-	-
Cash dividends	6(18)	-	-	-	-	(172,270)	-	(172,270)
Purchase of treasury shares	6(16)	-	-	-	-	-	(126,086)	(126,086)
Retirement of treasury shares	6(16)	(16,000)	(3,082)	-	-	(78,493)	97,575	-
Balance at December 31, 2025		\$ 733,000	\$ -	\$ 723,423	\$ 27,820	\$ 2,344,526	\$ 20,473	\$ 3,820,731

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 514,453	\$ 387,334
Adjustments			
Income and expenses having no effect on cash flows			
Expected credit losses	12(2)	25	17,941
(Gain) loss on financial liabilities at fair value through profit or loss	6(11)(22)	(664)	504
(Reversal of allowance) provision for inventory market price decline	6(4)	(12,976)	3,524
Depreciation	6(6)(7)(24)	111,573	115,280
Net gains on disposal of property, plant and equipment	6(22)	(23)	(703)
Property, plant and equipment transferred to expenses	6(6)	-	358
Gain from lease modification	6(7)(22)	(114)	(3)
Amortization	6(9)(24)	2,784	2,203
Loss on disposal of intangible assets	6(9)	1,933	272
Prepayments for equipment transferred to expenses	6(28)	290	141
Provision for liabilities	6(4)(13)	64,867	57,472
Interest income	6(20)	(40,062)	(33,831)
Interest expenses	6(23)	8,829	8,242
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Notes receivable		(5,308)	(22,760)
Accounts receivable		10,677	(238,465)
Other receivables		(8,700)	2,048
Inventory		(12,766)	(137,778)
Prepayments		(39,765)	(17,740)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss - current		160	-
Contract liabilities - current		(4,213)	17,626
Notes payable		715	(23,535)
Accounts payable		184,431	10,658
Other payables		61,795	17,075
Provision for liabilities - current	6(13)	(68,556)	(64,345)
Refund liabilities - current		2,767	8,590
Net defined benefit liabilities - non-current		(5,174)	(5,641)
Cash inflow generated from operations		766,978	104,467
Interest received		43,291	26,437
Interest paid		(7,105)	(6,417)
Income tax paid		(87,252)	(141,163)
Net cash flows from (used in) operating activities		715,912	(16,676)

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MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets measured at amortized cost - current		\$ 83,367	(\$ 241,049)
Decrease in financial assets measured at amortized cost - non-current		44,780	236,475
Cash payments for acquisition of property, plant, and equipment	6(28)	(57,584)	(65,139)
Proceeds from disposal of property, plant and equipment		23	748
Cash payments for acquisition of intangible assets	6(28)	(2,523)	(1,597)
Increase in prepayments for equipment		(61,081)	(43,223)
(Increase) decrease in guarantee deposits paid		(1,345)	726
Increase in other non-current assets		(1,672)	(3,588)
Net cash flows from (used in) investing activities		<u>3,965</u>	<u>(116,647)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	1,216,000	780,000
Repayment of short-term borrowings	6(29)	(1,206,000)	(680,000)
Repayment of lease principal and interest	6(29)	(29,866)	(25,222)
Proceeds from long-term borrowings	6(29)	31,000	-
Repayments of long-term borrowings	6(29)	(19,752)	(90,431)
Increase (decrease) in guarantee deposits received	6(29)	270	(2,060)
Cash dividends paid	6(18)	(172,270)	(254,660)
Acquisition of treasury stocks		(126,086)	-
Net cash flows used in financing activities		<u>(306,704)</u>	<u>(272,373)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>20,976</u>	<u>39,305</u>
Net increase (decrease) in cash and cash equivalents		434,149	(366,391)
Cash and cash equivalents at beginning of year	6(1)	<u>1,097,994</u>	<u>1,464,385</u>
Cash and cash equivalents at end of year	6(1)	\$ 1,532,143	\$ 1,097,994

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. HISTORY AND ORGANIZATION

(1) Macauto Industrial Co., Ltd. (“the Company”) was established on July 25, 1983, in accordance with the provisions of the Company Act of the Republic of China. The main business items of the Company and its subsidiaries (“the Group”) are the manufacture and processing of various Automobile Sun Shade, auto parts, lawn mowers, etc., as well as the manufacture of molds and hand tools.

(2) The common shares of the Company have been listed on the Taipei Exchange since December 2003.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 13, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“IASB”)</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Specific provisions of 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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

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

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

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

New Standards, Interpretations and Amendments	Effective date by 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, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

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

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

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL 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.

(1) 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", International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

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

profit or loss.

- (b) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured 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 has the ability to 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.
- (b) 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.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Percentage owned by the Group		Note
			December 31, 2025	December 31, 2024	
MACAUTO INDUSTRIAL CO., LTD.	CRACK MYTHOLOGY INTERNATIONAL LTD.	Professional investment	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO USA, INC.	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO HOLDINGS LLC	Professional investment	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO GROUP GmbH	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO MEXICO, S.A. DE C.V.	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO KOREA YOOHANHEOSA	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	Macauto Slovakia s. r. o.	Automobile Sun Shade	100	100	—
CRACK MYTHOLOGY INTERNATIONAL LTD.	KUNSHAN MACAUTO AUTOMOBILE PARTS INDUSTRY CO., LTD.	Automobile Sun Shade	100	100	—
KUNSHAN MACAUTO AUTOMOBILE PARTS INDUSTRY CO., LTD.	KUNSHAN MACAUTO AUTOMOBILE PARTS SALES CO., LTD.	Automobile Sun Shade and related parts sales, etc.	100	100	—

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries with non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

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 Company's functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated 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.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within "Other gains and losses".

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) Foreign exchange gains and losses resulting from net investments in foreign operations, long-term loans for investments and other monetary instruments designated as investment hedges are recognized in other comprehensive income.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification criteria for distinguishing assets and liabilities into current and non-current

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets that are held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

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

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

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

(6) Cash equivalents

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

(7) Financial assets measured at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Group holds time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial. In addition, the Group's cash and cash equivalents pledged to others are consistent with the definition of financial assets at amortized cost, and expressed in "Guarantee deposits paid".

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitled the Group a legal right to receive consideration in exchange for transferred goods.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and production-related overheads (allocated based on normal operating capacity). It excludes borrowing costs. Inventories are stated at the lower of cost and net realizable value. The item-by-item approach is used in applying the lower of 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 the estimated costs necessary to make the sale. When the cost of inventories exceeds the net realizable value, the amount of any write-down of inventories is recognized as cost of sales during the period; and the amount of any reversal of inventory write-down is recognized as a reduction in cost of sales during the period.

(10) Impairment of financial assets

For financial assets at amortized cost, at each balance sheet date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, 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.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

<u>Assets</u>	<u>Useful lives</u>
Buildings	3 ~ 46 years
Machinery and equipment	2 ~ 11 years
Utilities equipment	5 ~ 11 years
Transportation equipment	4 ~ 6 years
Office equipment	3 ~ 6 years
Other equipment	2 ~ 10 years

(13) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(14) Leasing arrangements (lessee) — right-of-use assets/lease liabilities

- A. 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.
- B. Lease liabilities are recognized as 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 Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(15) Intangible assets

- A. Trademarks and patents

Separately acquired corporate identification system trademark rights and product patent rights are stated at historical cost. Trademarks and patents have a finite useful life and are amortized on a straight-line basis over their estimated useful lives of 5 to 23 years.

- B. Computer software

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

(16) 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. When the recoverable amount is lower than its carrying amount, impairment losses are recognized. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for 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.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings 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 borrowings using the effective interest method.

(18) Accounts and notes payable

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

(19) Derecognition of financial liabilities

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

(20) Provisions

Provisions for product warranties are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(21) Employee welfare

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses 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.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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

C. Employees' compensation and directors' and supervisors' remuneration

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

(22) Income taxes

- A. The tax expense for the period 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.
- B. The current income tax charge 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 with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income 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 income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Share capital

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

(24) Dividend distribution

Dividend are recorded as liabilities in the Company's financial statements in the period in which they are approved by the Company's board of directors. Stock dividends are recorded as stock dividends to be distributed by shareholder's meeting and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells Automobile Sun Shade and other related products. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. The Group estimates sales discounts based on historical experience. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts payable to customers in relation to sales made until the end of the reporting period.
- (c) The Group provides a standard warranty for the products sold with an obligation to repair product defects; provision for liabilities is recognized when goods are sold.
- (d) receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions

and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the uncertainties in material accounting judgments, estimates and assumptions is addressed below:

(1) Important judgments for adoption of accounting policies

None.

(2) Important accounting estimates and assumptions

Inventory evaluation

A. As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Because of the change in market demand and the sales strategy, the Group evaluates the amounts of price fluctuations of inventories, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2025, the carrying amount of inventories was \$1,190,524.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash:		
Cash on hand	\$ 1,434	\$ 765
Checking deposits and demand deposits	<u>1,422,134</u>	<u>820,276</u>
	<u>1,423,568</u>	<u>821,041</u>
Cash equivalents:		
Time deposits	<u>108,575</u>	<u>276,953</u>
	<u>\$ 1,532,143</u>	<u>\$ 1,097,994</u>

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

B. Details of the Group's cash and cash equivalents pledged to others as collateral (listed as "Guarantee deposits paid") as of December 31, 2025 and 2024 are described in Note 8, 'PLEDGED ASSETS'.

(2) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Time deposits maturing over 3 months	<u>\$ 364,176</u>	<u>\$ 447,543</u>
Non-current items:		
Time deposits maturing over one year	<u>\$ -</u>	<u>\$ 44,780</u>

A. The Group's interest income recognized in current profit and loss due to financial assets measured at amortized cost in 2025 and 2024 was \$21,528 and \$21,650, respectively (listed under interest income).

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit

enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was the book value.

C. As of December 31, 2025 and 2024, the Group did not provide financial assets measured at amortized cost as collateral.

D. The counterparties of the Group's investment in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes receivable and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 81,834	\$ 76,526
Accounts receivable	\$ 1,190,947	\$ 1,201,624
Less: Allowance for uncollectible accounts	(20,623)	(20,593)
	<u>\$ 1,170,324</u>	<u>\$ 1,181,031</u>

A. Aging analysis of notes receivable and accounts receivable is as follows:

	December 31, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Under 30 days	\$ 41,089	\$ 511,863	\$ 31,939	\$ 531,577
31–90 days	24,413	589,863	35,668	549,621
91–180 days	16,332	47,038	8,919	83,409
181 days or more	-	42,183	-	37,017
	<u>\$ 81,834</u>	<u>\$ 1,190,947</u>	<u>\$ 76,526</u>	<u>\$ 1,201,624</u>

The above aging analysis was based on invoice date.

B. As at December 31, 2025 and 2024, accounts and notes receivable were all from contracts with customers. As at January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,018,162.

C. The Group held no collateral as a guarantee for accounts receivable as of December 31, 2025 and 2024.

D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the book value.

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

F. Refer to Note 8, 'Pledged Assets' for information on the Group's notes receivable that was pledged as collateral as at December 31, 2025 and 2024.

(4) Inventories

December 31, 2025			
	Cost	Allowance for impairment	Carrying value
Merchandise	\$ 150,924	(\$ 6,771)	\$ 144,153
Raw materials	121,550	(10,058)	111,492
Supplies	169,901	(6,018)	163,883
Work in progress	345,107	(18,731)	326,376
Finished goods	459,123	(14,503)	444,620
	<u>\$ 1,246,605</u>	<u>(\$ 56,081)</u>	<u>\$ 1,190,524</u>
December 31, 2024			
	Cost	Allowance for impairment	Carrying value
Merchandise	\$ 194,602	(\$ 3,667)	\$ 190,935
Raw materials	157,391	(15,901)	141,490
Supplies	137,816	(8,329)	129,487
Work in progress	390,200	(23,581)	366,619
Finished goods	359,663	(17,115)	342,548
	<u>\$ 1,239,672</u>	<u>(\$ 68,593)</u>	<u>\$ 1,171,079</u>

Inventory cost recognized as expense and loss by the Group in the current year:

For the years ended December 31,			
	2025	2024	
Cost of inventory sold	\$ 4,705,863	\$ 4,111,291	
Warranty costs	64,867	57,472	
(Reversal of allowance) provision for inventory marketing price decline (Note)	(12,976)	3,524	
Inventory obsolescence loss	21,613	13,872	
Loss on physical inventory	13,573	8,193	
Revenue from the sale of scraps	(1,264)	(456)	
	<u>\$ 4,791,676</u>	<u>\$ 4,193,896</u>	

(Note) For the year ended December 31, 2025, the Group reversed a previous inventory write-down which was accounted for as deduction on operating cost because of subsequent sales and scrap of certain inventories which were previously provided with allowance.

(5) Prepayments

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 94,991	\$ 85,084
Prepayments for material purchase	24,813	34,439
Prepaid patent rights	1,092	1,751
Other prepayments	107,996	68,223
	<u>\$ 228,892</u>	<u>\$ 189,497</u>

(6) Property, plant and equipment

								Construction in progress and equipment under inspection	
	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment		Total
<u>January 1, 2025</u>									
Cost	\$ 564,395	\$ 890,455	\$ 471,777	\$ 168,819	\$ 41,126	\$ 84,316	\$ 331,186	\$ 35	\$ 2,552,109
Accumulated depreciation	-	(354,752)	(356,601)	(160,149)	(30,494)	(76,657)	(270,666)	-	(1,249,319)
	<u>\$ 564,395</u>	<u>\$ 535,703</u>	<u>\$ 115,176</u>	<u>\$ 8,670</u>	<u>\$ 10,632</u>	<u>\$ 7,659</u>	<u>\$ 60,520</u>	<u>\$ 35</u>	<u>\$ 1,302,790</u>
<u>For the year ended December 31, 2025</u>									
At January 1	\$ 564,395	\$ 535,703	\$ 115,176	\$ 8,670	\$ 10,632	\$ 7,659	\$ 60,520	\$ 35	\$ 1,302,790
Additions	-	5,994	12,184	5,922	1,960	4,092	29,589	104	59,845
Transfers (Note)	-	352	4,642	353	-	353	22,449	(119)	28,030
Depreciation	-	(26,123)	(29,643)	(2,199)	(2,994)	(2,776)	(23,055)	-	(86,790)
Disposal – Cost	-	-	(10,969)	-	-	(1,671)	(1,371)	-	(14,011)
– Accumulated depreciation	-	-	10,969	-	-	1,671	1,371	-	14,011
Net exchange differences	19,421	3,493	3,924	430	(22)	188	25	-	27,459
At December 31	<u>\$ 583,816</u>	<u>\$ 519,419</u>	<u>\$ 106,283</u>	<u>\$ 13,176</u>	<u>\$ 9,576</u>	<u>\$ 9,516</u>	<u>\$ 89,528</u>	<u>\$ 20</u>	<u>\$ 1,331,334</u>
<u>December 31, 2025</u>									
Cost	\$ 583,816	\$ 901,901	\$ 488,303	\$ 176,061	\$ 43,394	\$ 87,929	\$ 384,157	\$ 20	\$ 2,665,581
Accumulated depreciation	-	(382,482)	(382,020)	(162,885)	(33,818)	(78,413)	(294,629)	-	(1,334,247)
	<u>\$ 583,816</u>	<u>\$ 519,419</u>	<u>\$ 106,283</u>	<u>\$ 13,176</u>	<u>\$ 9,576</u>	<u>\$ 9,516</u>	<u>\$ 89,528</u>	<u>\$ 20</u>	<u>\$ 1,331,334</u>

(Note) Please refer to Note 6(28) for the supplementary information on cash flows.

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under inspection	Total
<u>January 1, 2024</u>									
Cost	\$ 592,628	\$ 880,532	\$ 438,131	\$ 163,953	\$ 38,825	\$ 81,500	\$ 295,031	\$ -	\$ 2,490,600
Accumulated depreciation	-	(323,314)	(332,499)	(153,715)	(35,377)	(74,077)	(249,146)	-	(1,168,128)
	<u>\$ 592,628</u>	<u>\$ 557,218</u>	<u>\$ 105,632</u>	<u>\$ 10,238</u>	<u>\$ 3,448</u>	<u>\$ 7,423</u>	<u>\$ 45,885</u>	<u>\$ -</u>	<u>\$ 1,322,472</u>
<u>For the year ended December 31, 2024</u>									
At January 1	\$ 592,628	\$ 557,218	\$ 105,632	\$ 10,238	\$ 3,448	\$ 7,423	\$ 45,885	\$ -	\$ 1,322,472
Additions	-	1,976	41,243	5,434	7,994	3,063	18,410	35	78,155
Transfers (Note)	-	-	506	192	1,000	-	16,489	-	18,187
Depreciation	-	(27,592)	(30,441)	(7,003)	(1,820)	(2,736)	(20,384)	-	(89,976)
Disposal – Cost	-	-	(949)	-	(6,525)	-	(665)	-	(8,139)
– Accumulated depreciation	-	-	904	-	6,525	-	665	-	8,094
Net exchange differences	(28,233)	4,101	(1,719)	(191)	10	(91)	120	-	(26,003)
At December 31	<u>\$ 564,395</u>	<u>\$ 535,703</u>	<u>\$ 115,176</u>	<u>\$ 8,670</u>	<u>\$ 10,632</u>	<u>\$ 7,659</u>	<u>\$ 60,520</u>	<u>\$ 35</u>	<u>\$ 1,302,790</u>
<u>December 31, 2024</u>									
Cost	\$ 564,395	\$ 890,455	\$ 471,777	\$ 168,819	\$ 41,126	\$ 84,316	\$ 331,186	\$ 35	\$ 2,552,109
Accumulated depreciation	-	(354,752)	(356,601)	(160,149)	(30,494)	(76,657)	(270,666)	-	(1,249,319)
	<u>\$ 564,395</u>	<u>\$ 535,703</u>	<u>\$ 115,176</u>	<u>\$ 8,670</u>	<u>\$ 10,632</u>	<u>\$ 7,659</u>	<u>\$ 60,520</u>	<u>\$ 35</u>	<u>\$ 1,302,790</u>

(Note) Please refer to Note 6(28) for the supplementary information on cash flows, and the amount of property, plant and equipment transferred to expenses in the current period was \$358.

- A. The Group's property, plant and equipment are all occupied by the owner for operating purpose as at December 31, 2025 and 2024.
- B. The Group has not capitalised any interest for the years ended December 31, 2025 and 2024.
- C. Please refer to Note 8, 'Pledged assets' for information on the Group's property, plant and equipment that were pledged as collateral as at December 31, 2025 and 2024.

(7) Leasing arrangements– Lessee

- A. The Group leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The book values of right-of-use assets and the recognized depreciation expenses are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	\$ 7,210	\$ 11,261
Buildings	38,985	41,126
Transportation equipment	7,750	7,577
	<u>\$ 53,945</u>	<u>\$ 59,964</u>
	For the years ended December 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 1,383	\$ 1,692
Buildings	19,906	20,174
Transportation equipment	3,494	3,438
	<u>\$ 24,783</u>	<u>\$ 25,304</u>

- C. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2025	2024
<u>Items affecting current (profit) and loss</u>		
Interest expense on lease liabilities	\$ 1,607	\$ 1,916
Expenses for short-term rental contracts	4,306	3,343
Gain from lease modification	(114)	(3)

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$19,808 and \$24,116, respectively.

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$34,172 and \$28,565, respectively.

(8) Net investment properties

<u>January 1, 2025 and December 31, 2025</u>	<u>Land</u>
Cost	\$ 81,482
<u>January 1, 2024 and December 31, 2024</u>	<u>Land</u>
Cost	\$ 81,482

A. The fair value of investment properties held by the Group as of December 31, 2025 and 2024 was \$152,873 for both years. This valuation is based on transaction price information from the nearby real estate agency industry and publicly available market price information, indicating a fair value classification of Level 3.

B. For more information regarding the Group's investment properties pledged to others as of December 31, 2025 and 2024, please refer to Note 8, 'PLEDGED ASSETS'.

(9) Intangible assets

	<u>For the year ended December 31, 2025</u>			
	<u>Trademarks</u>	<u>Patent rights</u>	<u>Computer software</u>	<u>Total</u>
<u>January 1, 2025</u>				
Cost	\$ 2,085	\$ 28,747	\$ 112,689	\$ 143,521
Accumulated amortisation	(2,003)	(19,168)	(110,337)	(131,508)
	<u>\$ 82</u>	<u>\$ 9,579</u>	<u>\$ 2,352</u>	<u>\$ 12,013</u>
<u>For the year ended December 31, 2025</u>				
At January 1	\$ 82	\$ 9,579	\$ 2,352	\$ 12,013
Increase	-	201	2,322	2,523
Transfer (Note 1)	-	370	322	692
Amortization expense	(40)	(1,256)	(1,488)	(2,784)
Disposal – Cost (Note 2)	-	(2,849)	-	(2,849)
– Accumulated amortisation (Note 2)	-	916	-	916
Net exchange differences	-	(1)	(40)	(41)
At December 31	<u>\$ 42</u>	<u>\$ 6,960</u>	<u>\$ 3,468</u>	<u>\$ 10,470</u>
<u>December 31, 2025</u>				
Cost	\$ 2,085	\$ 26,482	\$ 115,879	\$ 144,446
Accumulated amortisation	(2,043)	(19,522)	(112,411)	(133,976)
	<u>\$ 42</u>	<u>\$ 6,960</u>	<u>\$ 3,468</u>	<u>\$ 10,470</u>

For the year ended December 31, 2024				
	Trademarks	Patent rights	Computer software	Total
<u>January 1, 2024</u>				
Cost	\$ 2,085	\$ 27,863	\$ 111,410	\$ 141,358
Accumulated amortisation	(1,911)	(18,103)	(109,073)	(129,087)
	<u>\$ 174</u>	<u>\$ 9,760</u>	<u>\$ 2,337</u>	<u>\$ 12,271</u>
<u>For the year ended December 31, 2024</u>				
At January 1	\$ 174	\$ 9,760	\$ 2,337	\$ 12,271
Increase	-	359	818	1,177
Current transfer (Note 1)	-	1,066	-	1,066
Amortization expense	(92)	(1,340)	(771)	(2,203)
Disposal – Cost (Note 2)	-	(647)	-	(647)
– Accumulated amortisation (Note 2)	-	375	-	375
Net exchange differences	-	6	(32)	(26)
At December 31	<u>\$ 82</u>	<u>\$ 9,579</u>	<u>\$ 2,352</u>	<u>\$ 12,013</u>
<u>December 31, 2024</u>				
Cost	\$ 2,085	\$ 28,747	\$ 112,689	\$ 143,521
Accumulated amortisation	(2,003)	(19,168)	(110,337)	(131,508)
	<u>\$ 82</u>	<u>\$ 9,579</u>	<u>\$ 2,352</u>	<u>\$ 12,013</u>

(Note1) Please refer to Note 6(28) for the supplementary information on cash flows.

(Note2) Loss on disposal of intangible assets was recognised in ‘Research and development expenses’.

A. No interest was capitalized as part of the Group’s intangible assets for the years ended December 31, 2025 and 2024.

B. The details of the Group’s intangible asset amortization expenses for the years ended December 31, 2025 and 2024 are as follows:

	For the years ended December 31,	
	2025	2024
Operating costs	\$ 262	\$ 190
Promotional expenses	353	372
Management expenses	424	300
R&D expenses	1,745	1,341
	<u>\$ 2,784</u>	<u>\$ 2,203</u>

(10) Short-term borrowings

	December 31, 2025	Interest rate range	Collateral
Unsecured bank borrowings	<u>\$ 300,000</u>	0.79%~1.68%	None
	December 31, 2024	Interest rate range	Collateral
Unsecured bank borrowings	<u>\$ 290,000</u>	1.65%~1.79%	None

For interest expense recognized in profit or loss for the years ended December 31, 2025 and 2024, refer to Note 6(23).

(11) Financial liabilities at fair value through profit or loss

Items	December 31, 2025	December 31, 2024
Current items:		
Financial liabilities at fair value through profit or loss -		
Forward foreign exchange contracts	<u>\$ -</u>	<u>\$ 504</u>

A. The Group recognized net gains (losses) on financial liabilities at fair value through profit or loss amounting to \$664 and (\$504) for the years ended December 31, 2025 and 2024, respectively (listed under 'Other gains and losses').

B. The description of transactions and contract information for derivative financial liabilities not designated as hedging instruments is as follows:

	December 31, 2024	
	Nominal principal	
Derivative financial liabilities	(in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 600	10. 2024~1. 2025

The Group had no such situation as of December 31, 2025.

The forward foreign exchange contracts entered by the Group are for forecasted transactions to hedge against the exchange rate risk of export proceeds; however, hedge accounting is not applied.

(12) Other payables

	December 31, 2025	December 31, 2024
Accrued salaries and bonuses	<u>\$ 208,129</u>	<u>\$ 169,451</u>
Employees' compensation and remuneration for directors payable	29,603	23,387
Processing expense payable	3,011	8,843
Equipment payable	18,635	16,374
Others	<u>269,880</u>	<u>247,029</u>
	<u>\$ 529,258</u>	<u>\$ 465,084</u>

(13) Provisions for liabilities – Current

A. Changes in warranty liability provisions for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
At January 1	\$ 125,011	\$ 131,477
Provisions for liabilities in the current period	64,867	57,472
Provisions for liabilities used in the current period	(68,556)	(64,345)
Net exchange differences	661	407
At December 31	<u>\$ 121,983</u>	<u>\$ 125,011</u>

B. The Group's warranty liability provisions is mainly related to the sales of Automobile Sun Shade and other products. The provision for warranty liabilities is estimated based on the historical warranty data of the product.

(14) Long-term borrowings

<u>Nature of loans</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank loans				
Unsecured bank borrowings	From March 25, 2021 to May 28, 2031 (Note)	1.79%~4.76%	None	\$ 39,643
Less: Current portion				(8,643)
				<u>\$ 31,000</u>
<u>Nature of loans</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank loans				
Unsecured bank borrowings	From November 26, 2020 to September 22, 2026; principle is payable in installments quarterly; interest is payable quarterly.	5.42%~5.67%	None	\$ 28,688
Less: Current portion				(19,672)
				<u>\$ 9,016</u>

(Note) Parent company: The amount of principal withdrawn is payable in 8 installments semi-annually, starting from 30 months after the date of first drawdown, and interest is payable quarterly.

MACAUTO MEXICO, S.A. DE C.V.: Principal is payable in installments quarterly; interest is payable quarterly.

For interest expense recognized in profit or loss for the years ended December 31, 2025 and 2024, refer to Note 6(23).

(15) Pensions

A. The Group has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31 every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contribution for the deficit by end of March next year. Relevant information about the retirement method of the above defined benefits is disclosed as follows:

(a) Amounts recognized in the balance sheets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 170,912)	(\$ 167,702)
Fair value of plan assets	<u>85,939</u>	<u>71,580</u>
Net defined benefit liability	<u>(\$ 84,973)</u>	<u>(\$ 96,122)</u>

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

	For the year ended December 31, 2025		
	Present value of		
	defined benefit	Fair value of	Net defined
	obligations	plan assets	benefit liability
Balance on January 1	(\$ 167,702)	\$ 71,580	(\$ 96,122)
Current service cost	(2,795)	-	(2,795)
Interest (expense) income	(2,379)	963	(1,416)
	(172,876)	72,543	(100,333)
Remeasurements:			
Return on plan assets	-	4,947	4,947
Change in demographic assumptions	2	-	2
Change in financial assumptions	(2,133)	-	(2,133)
Experience adjustments	3,159	-	3,159
	1,028	4,947	5,975
Pension fund contribution	-	9,385	9,385
Paid pension	936	(936)	-
Balance on December 31	(\$ 170,912)	\$ 85,939	(\$ 84,973)
	For the year ended December 31, 2024		
	Present value of		
	defined benefit	Fair value of	Net defined
	obligations	plan assets	benefit liability
Balance on January 1	(\$ 168,971)	\$ 57,400	(\$ 111,571)
Current service cost	(2,731)	-	(2,731)
Interest (expense) income	(1,887)	610	(1,277)
	(173,589)	58,010	(115,579)
Remeasurements:			
Return on plan assets	-	4,877	4,877
Change in financial assumptions	3,204	-	3,204
Experience adjustments	1,727	-	1,727
	4,931	4,877	9,808
Pension fund contribution	-	9,649	9,649
Paid pension	956	(956)	-
Balance on December 31	(\$ 167,702)	\$ 71,580	(\$ 96,122)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private

placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the years ended December 31,	
	2025	2024
Discount rate	1.30%	1.55%
Future salary increases	2.00%	2.00%

The assumptions for future mortality for the years ended December 31, 2025 and 2024 are estimated according to the 6th mortality life tables of Taiwan's life insurance industry.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 2,133)	\$ 2,189	\$ 2,169	(\$ 2,123)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 2,214)	\$ 2,276	\$ 2,260	(\$ 2,210)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) The Company's estimated contribution to pensions in 2026 amount to \$9,284.

(f) As of December 31, 2025, the weighted average duration of the retirement plan was 5 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	31,334
2-5 years		89,081
Over 5 years		61,929
	\$	<u>182,344</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labour Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group’s overseas subsidiaries voluntarily withdraw pension reserves and pension insurance systems in accordance with the regulations of the local government of the employee, and allocates pension reserves and pension insurance funds according to 2%–18.6% of the total salary of local employees every month. The pension of each employee is managed and arranged by the government. In addition to the monthly appropriation and payment of the subsidiary, there are no further obligations.

The pension costs recognized by the Group in accordance with the above pension methods for the years ended December 31, 2025 and 2024 were \$40,760 and \$38,374 respectively.

(16) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2025	2024
Balance as at January 1	74,900	74,900
Purchase of treasury shares	(2,140)	-
Balance as at December 31	<u>72,760</u>	<u>74,900</u>

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Reason for share reacquisition	For the years ended December 31, 2025			
	Number of shares at January 1	Additions for the year	Decrease for the year	Number of shares at December 31
To be reissued to employees	\$ -	\$ 540	\$ -	\$ 540
Maintenance of shareholders' interest	-	1,600	(1,600)	-
	<u>\$ -</u>	<u>\$ 2,140</u>	<u>(\$ 1,600)</u>	<u>\$ 540</u>

There was no such transaction for the year ended December 31, 2024.

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) For the year ended December 31, 2025, the Company's retired treasury shares amounted to \$97,575 (1,600 thousand shares).
- (f) As of December 31, 2025 and 2024, the treasury shares repurchased by the Company amounted to \$28,511 and \$ —, respectively.
- C. On December 19, 2025, the Company's Board of Directors resolved to retire treasury shares amounting to 1,600 thousand shares, and the decrease in share capital amounted to \$16,000. The effective date for the share reduction was set on December 25, 2025, and the registration for the capital reduction was completed on January 19, 2026.
- D. As of December 31, 2025, the Company's authorized capital was \$1,000,000 and paid-in capital amount was \$733,000, consisting of 73,300 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(17) Capital surplus

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

(18) Retained earnings

- A. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.
- B. In accordance with provisions of the Company's Articles of Incorporation, the Company's dividends are based on the principle of dividend stability in line with the current year's earnings. The Company is in a period of business growth and there is a need for funds to promote global operations in the next few years. Therefore, in addition to the distribution of surplus in accordance with the provisions of Article 28 of the Company's Articles of Incorporation, the amount of distribution shall in principle not be less than 30% of the distributable surplus of the current year. If necessary, dividends may be paid in conjunction with capital reserve. Cash dividends shall not be less than 30% of the total dividends. If there is a surplus in the Company's annual final accounts, income tax should first be paid to make up for losses of previous years. If there is a surplus, 10% shall be set aside as legal reserve in accordance with the law, and a special reserve shall be allocated or transferred in accordance with the provisions of Article 41 of Securities and Exchange Act of the Republic of China to constitute the distributable surplus for the current year. Furthermore, the accumulated undistributed surplus of the prior year is to be added to the cumulative distributable surplus, and the aforementioned distributable surplus shall be proposed by the Board of Directors to be distributed by resolution. If the Company distributes in cash its dividends and bonuses or all or part of its legal reserve and capital reserve, this shall be authorized by resolution of Board of Directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders' meeting. The provisions of the preceding paragraph that must be resolved by the shareholders' meeting are not applicable.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit

balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- D. When IFRSs were first adopted, the special reserve of \$26,594 was set out in Letter Jinguanzhengfazi No. 1090150022 dated March 31, 2021, and this was reversed by the Company when subsequently disposing of the relevant assets.
- E. The cash dividends recognized by the Company for distribution to owners in 2025 and 2024 amounted to \$172,270 (NT\$2.3 (in dollars) per share) and \$254,660 (NT\$3.4 (in dollars) per share), respectively. On March 13, 2026, the Board of Directors proposed for the distribution of cash dividends from 2025 earnings in the amount of \$234,560 (NT\$3.22 (in dollars) per share).

(19) Operating revenue

- A. The Group's revenue arose from customer contracts for product sales, which are recognized after a certain point in time, and the revenue can be subdivided into the following major product categories:

	For the years ended December 31,	
	2025	2024
Revenue from Automobile Sun Shade	\$ 6,308,596	\$ 5,504,952
Revenue from garden tools	15,484	14,642
	<u>\$ 6,324,080</u>	<u>\$ 5,519,594</u>

- B. The Group recognizes contract liabilities related to customer contract revenue as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities – Automobile Sun Shade	\$ 78,900	\$ 83,081	\$ 65,397
Contract liabilities – garden tools	30	62	120
	<u>\$ 78,930</u>	<u>\$ 83,143</u>	<u>\$ 65,517</u>

The amounts of contract liabilities recognized as revenue by the Group on January 1, 2025 and 2024 were \$66,441 and \$18,003, respectively.

(20) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 17,688	\$ 10,943
Interest income from financial assets measured at amortized cost	21,528	21,650
Other interest income	846	1,238
	<u>\$ 40,062</u>	<u>\$ 33,831</u>

(21) Other income

	For the years ended December 31,	
	2025	2024
Tax refund income	\$ 9,447	\$ 7,403
Government grants revenue	3,633	-
Other income	17,062	19,137
	<u>\$ 30,142</u>	<u>\$ 26,540</u>

(22) Other gains and losses

	For the years ended December 31,	
	2025	2024
Net currency exchange gain	\$ 28,455	\$ 21,317
Net gain on disposal of property, plant and equipment	23	703
Net gain (loss) on financial liabilities at fair value through profit or loss	664 (	504)
Gain from lease modification	114	3
Other losses	(9,366)	(1,315)
	<u>\$ 19,890</u>	<u>\$ 20,204</u>

(23) Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense	\$ 7,222	\$ 6,326
Interest expense on lease liabilities	1,607	1,916
	<u>\$ 8,829</u>	<u>\$ 8,242</u>

(24) Expenses by nature

Year ended December 31, 2025			
	Under operating costs	Under operating expenses	Total
Employee benefit expenses	\$ 641,040	\$ 525,844	\$ 1,166,884
Depreciation expense	86,733	24,840	111,573
Amortization expense	262	2,522	2,784
	<u>\$ 728,035</u>	<u>\$ 553,206</u>	<u>\$ 1,281,241</u>
Year ended December 31, 2024			
	Under operating costs	Under operating expenses	Total
Employee benefit expenses	\$ 581,694	\$ 494,931	\$ 1,076,625
Depreciation expense	89,949	25,331	115,280
Amortization expense	190	2,013	2,203
	<u>\$ 671,833</u>	<u>\$ 522,275</u>	<u>\$ 1,194,108</u>

(25) Employee benefit expense

Year ended December 31, 2025			
	Under operating costs	Under operating expenses	Total
Wages and salaries	\$ 518,261	\$ 453,370	\$ 971,631
Labor and health insurance expense	43,834	31,584	75,418
Pension costs	25,961	19,010	44,971
Other personnel expenses	52,984	21,880	74,864
	<u>\$ 641,040</u>	<u>\$ 525,844</u>	<u>\$ 1,166,884</u>
Year ended December 31, 2024			
	Under operating costs	Under operating expenses	Total
Wages and salaries	\$ 462,747	\$ 423,197	\$ 885,944
Labor and health insurance expense	43,110	31,196	74,306
Pension costs	25,057	17,325	42,382
Other personnel expenses	50,780	23,213	73,993
	<u>\$ 581,694</u>	<u>\$ 494,931</u>	<u>\$ 1,076,625</u>

- A. In accordance with the Company's Articles of Incorporation, if the Company makes a profit for the current year, 3% to 8% should be allocated for employees' compensation and no more than 3.5% should be allocated for directors' and supervisors' remuneration. For the aforementioned employees' compensation, no less than 50% should be distributed to non-managerial employees

as compensation, which is no higher than current profit. However, when the Company still has accumulated losses, it should reserve the compensation amount in advance. Employees' compensation is made in stock or cash; in addition, the recipients of stock or cash distributions may include employees of affiliated companies who meet certain conditions.

- B. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at \$21,145 and \$16,705, respectively; while directors' remuneration were accrued at \$8,458 and \$6,682, respectively. The aforementioned amounts were recognised in salary expenses and estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. Employees' compensation for 2024 amounting to \$16,705 and directors' remuneration for 2024 amounting to \$6,682, as resolved by the Board of Directors were in agreement with the amounts recognised in the 2024 financial statements. On March 13, 2026, the board of directors resolved to distribute employees' compensation and directors' remuneration in the amount of \$21,145 and \$8,458, respectively. The employees' compensation will be distributed in the form of cash.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income taxes

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 105,094	\$ 70,969
Tax on undistributed surplus earnings	5,829	8,906
Prior year income tax overestimation	(466)	(9,188)
Total current tax	<u>110,457</u>	<u>70,687</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>14,107</u>	<u>2,216</u>
Total deferred tax	<u>14,107</u>	<u>2,216</u>
Income tax expense	<u>\$ 124,564</u>	<u>\$ 72,903</u>

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

	For the years ended December 31	
	2025	2024
Remeasurement of defined benefit obligations	<u>\$ 1,195</u>	<u>\$ 1,962</u>

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 147,792	\$ 100,657
Tax exempt income by tax regulation	(9,971)	(18,317)
Effect from investment tax credits	(18,620)	(9,155)
Tax on undistributed earnings	5,829	8,906
Prior year income tax overestimation	(466)	(9,188)
Income tax expense	<u>\$ 124,564</u>	<u>\$ 72,903</u>

C. Amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	For the year ended December 31, 2025			
		Recognized in	Recognized in other	
	January 1	profit or loss	comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Bad debts that exceed the limit for tax purpose	\$ 3,923	(\$ 315)	\$ -	3,608
Unrealized inventory impairment	10,482	(2,675)	-	7,807
Unrealized losses on valuation of financial instruments	101	(101)	-	-
Unrealized after-sales service expenses	19,050	(1,218)	-	17,832
Unrealized gains among affiliated companies	16,977	513	-	17,490
Employee welfare	4,855	196	-	5,051
Pensions	17,229	(1,269)	(1,195)	14,765
Unrealized sales allowance	21,950	1,612	-	23,562
Unrealized payroll expenses	1,368	5	-	1,373
Others	2,000	1,048	-	3,048
	<u>\$ 97,935</u>	<u>(\$ 2,204)</u>	<u>(\$ 1,195)</u>	<u>94,536</u>

For the year ended December 31, 2025				
			Recognized in other	
	January 1	Recognized in profit or loss	comprehensive income	December 31
Deferred tax liabilities				
Temporary differences:				
Unrealized exchange gain	(\$ 7,044)	\$ 1,752	\$ -	(\$ 5,292)
Tax difference in fixed assets	(4,515)	(2,812)	-	(7,327)
Investment income	-	(10,843)	-	(10,843)
	<u>(11,559)</u>	<u>(11,903)</u>	<u>-</u>	<u>(23,462)</u>
	<u>\$ 86,376</u>	<u>(\$ 14,107)</u>	<u>(\$ 1,195)</u>	<u>\$ 71,074</u>
For the year ended December 31, 2024				
			Recognized in other	
	January 1	Recognized in profit or loss	comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Allowance for doubtful accounts	\$ 514	\$ 3,409	\$ -	\$ 3,923
Unrealized inventory impairment	10,461	21	-	10,482
Unrealized losses on valuation of financial instruments	-	101	-	101
Unrealized after-sales service expenses	21,969	(2,919)	-	19,050
Unrealized gains among affiliated companies	12,276	4,701	-	16,977
Employee welfare	4,814	41	-	4,855
Pensions	20,748	(1,557)	(1,962)	17,229
Unrealized sales allowance	20,928	1,022	-	21,950
Unrealized payroll expenses	1,533	(165)	-	1,368
Others	<u>3,402</u>	<u>(1,402)</u>	<u>-</u>	<u>2,000</u>
	<u>\$ 96,645</u>	<u>\$ 3,252</u>	<u>(\$ 1,962)</u>	<u>\$ 97,935</u>

For the year ended December 31, 2024			
		Recognized in other	
	January 1	Recognized in profit or loss	comprehensive income
			December 31
Deferred tax liabilities			
Temporary differences:			
Unrealized exchange gain	(\$ 55)	(\$ 6,989)	\$ - (\$ 7,044)
Tax difference in fixed assets	(6,036)	1,521	- (4,515)
	(6,091)	(5,468)	- (11,559)
	<u>\$ 90,554</u>	<u>(\$ 2,216)</u>	<u>(\$ 1,962)</u> <u>\$ 86,376</u>

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. As of March 13, 2026, no administrative relief has occurred.

(27) Earnings per share

Year ended December 31, 2025			
		Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax	(shares in thousands)	(in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 389,889</u>	<u>74,039</u>	<u>\$ 5.27</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 389,889	74,039	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	449	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 389,889</u>	<u>74,488</u>	<u>\$ 5.23</u>

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 314,431	74,900	\$ 4.20
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 314,431	74,900	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	392	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 314,431	75,292	\$ 4.18

(28) Supplemental cash flow information

A. Investment activities with partial cash payments:

	For the years ended December 31,	
	2025	2024
(a) Purchase of property, plant and equipment	\$ 59,845	\$ 78,155
Add: Opening balance of payable on equipment (shown as 'Other payables')	16,374	3,358
Less: Ending balance of payable on equipment (shown as 'Other payables')	(18,635)	(16,374)
Cash paid during the year	\$ 57,584	\$ 65,139
(b) Purchase of intangible assets	\$ 2,523	\$ 1,177
Add: Opening balance of payable (shown as 'Other payables')	-	420
Cash paid during the year	\$ 2,523	\$ 1,597

B. Operating and investing activities with no cash flow effect:

	For the years ended December 31,	
	2025	2024
(a) Write-off of uncollectible accounts	\$ -	\$ 1,237
(b) Inventory transferred to property, plant and equipment	\$ 9,992	\$ 7,936
(c) Prepayments transferred to intangible assets	\$ 370	\$ 1,066
(d) Prepayments for equipment transferred to intangible assets	\$ 322	\$ -
(e) Property, plant and equipment transferred to inventory	\$ 989	\$ -
(f) Prepayments for equipment transferred to inventory	\$ 3,170	\$ 3,930
(g) Prepayments for equipment transferred to property, plant and equipment	\$ 19,027	\$ 10,609
(h) Prepayments for equipment transferred to expense	\$ 290	\$ 141

(29) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2025	\$ 290,000	\$60,550	\$ 28,688	\$ 2,204	\$ 381,442
Changes in cash flow from financing activities	10,000	(29,866)	11,248	270	(8,348)
Changes in other non-cash items	-	17,833	(293)	9	17,549
December 31, 2025	<u>\$ 300,000</u>	<u>\$48,517</u>	<u>\$ 39,643</u>	<u>\$ 2,483</u>	<u>\$ 390,643</u>

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 190,000	\$57,167	\$ 114,179	\$ 4,120	\$ 365,466
Changes in cash flow from financing activities	100,000	(25,222)	(90,431)	(2,060)	(17,713)
Changes in other non-cash items	-	28,605	4,940	144	33,689
December 31, 2024	<u>\$ 290,000</u>	<u>\$60,550</u>	<u>\$ 28,688</u>	<u>\$ 2,204</u>	<u>\$ 381,442</u>

7. Related party transactions

Key management compensation

	For the years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 52,609	\$ 48,862
Retirement benefits	1,665	1,445
	<u>\$ 54,274</u>	<u>\$ 50,307</u>

8. Pledged assets

Details of guarantees provided for the Group's assets are as follows:

Pledged asset	Book value	Book value	Purpose
	December 31, 2025	December 31, 2024	
Notes receivable	\$ 8,992	\$ 8,985	Materials purchase guarantees
Land (Note 1)	-	303,335	Long-term borrowings guarantees
Land (Note 2)	81,482	81,482	Guarantee for land cooperation case
Buildings – net (Note 1)	-	364,787	Long-term borrowings guarantees
Pledged time deposits (Note 3)	2,500	2,500	Materials purchase guarantees
	<u>\$ 92,974</u>	<u>\$ 761,089</u>	

(Note 1) Shown as 'Property, plant and equipment'.

(Note 2) Shown as 'Investment properties'.

(Note 3) Shown as 'Guarantee deposits paid'.

9. Significant contingent liabilities and unrecognized contract commitments

(1) The details of endorsement and guarantees provided to others are described in Note 13(1)-B.

(2) As of December 31, 2025 and 2024, the balances for contracts that the Group entered into but unpaid for property, plant, and equipment are \$94,643 and \$64,089, respectively.

10. Significant Disaster Loss

None.

11. Significant Events After The Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, maintain an optimal capital structure to reduce the cost of capital. In order 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 debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6, 'Financial assets'.

B. Financial risk management policy

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is therefore subject to the exchange rate risk arising from transactions that are different from the functional currency of the Company and its subsidiaries; these are mainly USD and CNY. The associated exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. The Group's management has established a policy that requires each company within the Group to manage exchange rate risk relative to its functional currency. Each company should hedge its overall exchange rate risk through the Group's Finance Department.

Currency risk is measured through highly probable USD and CNY revenue forecast transactions, using forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the expected collection of receivables.

- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR, CNY, KRW and MXN. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
	Foreign currency		Book value
	amount	Exchange rate	
(Foreign currency: functional currency)	(In thousands)		(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
CNY:NTD	\$ 44,002	4.496	\$ 197,833
USD:NTD	12,665	31.43	398,061
EUR:NTD	2,137	36.90	78,855
JPY:NTD	256,540	0.2008	51,513
USD:MXN	6,798	17.967	213,675
EUR:MXN	803	21.094	29,644
USD:CNY	13,058	6.991	410,425
EUR:CNY	1,309	8.207	48,310
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	436	31.43	13,703
EUR:NTD	378	36.90	13,948
CNY:NTD	2,068	4.496	9,298
USD:MXN	2,739	17.967	86,086

	December 31, 2024		
	Foreign currency		Book value
	amount (In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
CNY:NTD	\$ 47,183	4.478	\$ 211,285
USD:NTD	7,096	32.785	232,642
EUR:NTD	5,890	34.14	201,085
JPY:NTD	523,142	0.2099	109,808
USD:MXN	6,792	20.268	222,679
EUR:MXN	970	21.105	33,116
USD:CNY	11,616	7.321	380,812
EUR:CNY	1,134	7.624	38,715
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	496	32.785	16,261
EUR:NTD	368	34.14	12,564
CNY:NTD	2,545	4.478	11,397
USD:MXN	3,101	20.268	101,668

- v. Total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to \$28,455 and \$21,317, respectively.
- vi. For the years ended December 31, 2025 and 2024, if the NTD appreciated or depreciated by 1% against each currency while all other factors remained unchanged, the net profit after tax for the Group would decrease or increase by \$10,442 and \$10,305, respectively.

Cash flow and fair value interest rate risks

- i. Funds borrowed by the Group are in the form of financial instruments with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of debt financial products to change accordingly, resulting in volatility of future cash flows. However, this risk is partially offset by holding cash and cash equivalents at floating rates.
- ii. In conducting a sensitivity analysis on interest rate risk, if borrowing rates increased or decreased by 1% and with all other factors held constant, the Group's net profit after tax for the years ended December 31, 2025 and 2024 would decrease or increase by \$2,712 and \$2,550, respectively, mainly due to the increase or decrease in interest expenses due to floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group establishes credit risk management from a group perspective. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts IFRS 9 to provide prerequisite assumptions. When a contract payment is overdue for more than 30 days according to the agreed payment terms, the credit risk of deemed financial assets has increased significantly since the original recognition.
- iv. The Group adopts IFRS 9 to provide prerequisite assumptions, and impairment assessment begins when the contract payment is overdue for more than a certain number of days according to the agreed payment terms.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss. The Group uses the forecast ability of conditions to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable is as follows:

	For the years ended December 31,	
	2025	2024
January 1	\$ 20,593	\$ 3,855
Expected credit loss	25	17,941
Write-off of uncollectible receivables	-	(1,237)
Effect of foreign exchange	5	34
December 31	<u>\$ 20,623</u>	<u>\$ 20,593</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants.
- ii. When surplus cash held by each operating entity exceeds the management needs of working capital, the Group's Finance Department will plan to invest the remaining funds in interest-bearing demand deposits and time deposits. The instrument it chooses has an appropriate maturity date or sufficient liquidity to respond to the above forecasts and provide sufficient dispatch levels.
- iii. The details of the Group's unused loan amounts are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate:		
Expiring within one year	\$ 964,300	\$ 1,152,283
Expiring beyond one year	719,000	1,302,456
	<u>\$ 1,683,300</u>	<u>\$ 2,454,739</u>

Note: The quota due within one year is an annual quota. It will be discussed separately in 2026. The balance is required for the Group to prepare for operating and capital expenditures.

- iv. The following table is the Group's non-derivative financial liabilities and derivative financial liabilities settled in gross amount, grouped by the relevant due date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

<u>December 31, 2025</u>	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities				
Short-term borrowings	\$ 301,462	\$ -	\$ -	\$ -
Notes payable	1,476	-	-	-
Accounts payable	1,075,382	-	-	-
Other payables	529,258	-	-	-
Lease liabilities (including current and non-current)	29,063	8,089	12,501	-
Long-term borrowings (including current portion)	9,295	550	31,930	-
Refund liabilities	122,219	-	-	-
Guarantee deposits received	-	2,483	-	-
<u>December 31, 2024</u>	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities				
Short-term borrowings	\$ 291,498	\$ -	\$ -	\$ -
Notes payable	761	-	-	-
Accounts payable	890,951	-	-	-
Other payables	465,084	-	-	-
Lease liabilities (including current and non-current)	28,223	26,804	5,541	-
Long-term borrowings (including current portion)	20,798	9,227	-	-
Refund liabilities	119,452	-	-	-
Guarantee deposits received	-	2,204	-	-
Derivative financial liabilities				
Financial liabilities at fair value through profit or loss	504	-	-	-

- v. The Group does not expect the maturity date to end early nor the actual cash flow to be materially different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. All derivative instruments invested by the Group are included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value including the carrying amounts of cash and cash equivalents, financial assets at amortized cost (including current and non-current portion), notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, refund liability, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities are as follows:

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities measured at fair value through profit or loss -				
forward foreign exchange contracts	\$ -	\$ 504	\$ -	\$ 504

There was no such situation as of December 31, 2025.

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

The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

(c) For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

(d) For the years ended December 31, 2025 and 2024, there was no such situation of Level 3.

13. Supplementary disclosures

(According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2025.)

(1) Significant transactions information

A. Loans to other: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. The amount of purchases or sales with related parties exceeds NT\$100 million or 20% of the paid-in capital: Please refer to table 3.

E. Accounts receivable from related parties amount to NT\$100 million or 20% of the paid-in capital: Please refer to table 4.

F. Significant inter-company transactions during the reporting period: Please refer to table 5.

(2) Information on investees

Name of the investee company, location, and other related information (excluding Mainland China investee companies): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

14. Segment information

(1) General information

The Group's management has identified reportable segments based on reported information used by operational decision makers in making decisions. The corporate composition of the Group, the basis for dividing into segments, and the basis for measuring segment information have not changed significantly during the current period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on operating profit. This measure excludes the impact of non-recurring income and expenses in the operating segments. The accounting policies of the operating segments are the same as the summary of the significant accounting policies described in Note 4 to the consolidated financial statements.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2025				
	Macauto Industrial	Kunshan Macauto	Mexico Macauto	Others	Total
Segment revenue	\$ 2,871,317	\$2,471,327	\$1,453,406	\$823,896	\$ 7,619,946
Inter-segment revenue	510,459	100,387	353,485	331,535	1,295,866
Revenue from external customers, net	2,360,858	2,370,940	1,099,921	492,361	6,324,080
Interest income	12,439	26,671	18	934	40,062
Depreciation and amortization	31,169	37,209	38,279	7,700	114,357
Interest expense	5,484	2	3,087	256	8,829
Segment income before tax	256,992	198,243	48,583	10,635	514,453
Segment assets	2,765,673	2,434,263	1,304,630	651,062	7,155,628
Non-current asset capital expenditures	5,983	53,300	33,761	30,405	123,449
Segment liabilities	1,267,273	932,555	791,497	280,943	3,272,268
	Year ended December 31, 2024				
	Macauto Industrial	Kunshan Macauto	Mexico Macauto	Others	Total
Segment revenue	\$ 2,917,366	\$1,983,799	\$1,257,347	\$667,608	\$ 6,826,120
Inter-segment revenue	600,010	164,467	287,583	254,466	1,306,526
Revenue from external customers, net	2,317,356	1,819,332	969,764	413,142	5,519,594
Interest income	15,446	17,712	81	592	33,831
Depreciation and amortization	42,157	31,963	36,001	7,362	117,483
Interest expense	3,190	-	4,914	138	8,242
Segment income before tax	291,217	137,430	(61,166)	19,853	387,334
Segment assets	2,862,657	2,102,057	1,232,323	523,955	6,720,992
Non-current asset capital expenditures	8,861	50,374	60,465	2,855	122,555
Segment liabilities	1,301,389	673,118	806,271	196,876	2,977,654

(4) Reconciliation for segment income (loss) and segment assets

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income, and segment gains and losses provided to chief operating decision-maker is measured in a manner consistent with the Group's consolidated financial statements and therefore do not need to be adjusted.

B. The amount of total assets provided to the chief operating decision-maker adopts the same measurement for assets in the Group's financial statements. The reconciliations between reportable segments' assets and total assets are provided as follows:

	December 31, 2025	December 31, 2024
Assets of reportable segments	\$ 6,504,566	\$ 6,197,037
Assets of other operating segments	651,062	523,955
Less: Inter-segment transactions	(845,928)	(833,400)
Total assets	<u>\$ 6,309,700</u>	<u>\$ 5,887,592</u>

C. The amount of total liabilities provided to the chief operating decision-maker adopts the same measurement for liabilities in the Group's financial statements. The reconciliations between reportable segments' liabilities and total liabilities are provided as follows:

	December 31, 2025	December 31, 2024
Liabilities of reportable segments	\$ 2,991,325	\$ 2,780,778
Liabilities of other operating segments	280,943	196,876
Less: Inter-segment transactions	(783,299)	(766,187)
Total liabilities	<u>\$ 2,488,969</u>	<u>\$ 2,211,467</u>

(5) Information on products and services

Product information for the years ended December 31, 2025 and 2024 is as follows:

	For the years ended December 31,	
	2025	2024
Automobile Sun Shade	\$ 6,308,596	\$ 5,504,952
Garden tools	15,484	14,642
	<u>\$ 6,324,080</u>	<u>\$ 5,519,594</u>

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	For the years ended December 31,			
	2025		2024	
	Revenue (Note)	Non-current assets	Revenue (Note)	Non-current assets
China	\$ 2,272,754	\$ 249,375	\$ 1,826,966	\$ 230,398
United States	1,669,409	29,323	1,320,360	30,560
Mexico	396,345	403,673	434,031	382,363
Germany	541,093	64,666	473,359	62,325
Taiwan	570,973	798,605	584,981	825,360
Other countries	873,506	46,937	879,897	2,325
	<u>\$ 6,324,080</u>	<u>\$ 1,592,579</u>	<u>\$ 5,519,594</u>	<u>\$ 1,533,331</u>

(Note) Revenue is classified based on the country where the customer is located.

(7) Major customer information

The income from each customer of the Group for the years ended December 31, 2025 and 2024 did not reach 10% of the amount of income on the consolidated income statement.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Loans to others

For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Note
0	Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	Other receivables-related parties	Y	\$ 276,504	\$ 274,208	\$ 274,208	4.09%	1	\$ 304,696	Operating capital	\$ -	-	\$ -	\$ 304,696	\$ 1,528,292	—

Note 1: Explanation of the nature codes for fund lending:

(1) Trading partner.

(2) Short-term financing.

Note 2: Limit on loans granted to a single party:

(1) Ceiling on total loans granted to a single party: Shall not exceed 40% of the net worth based on the most recent audited financial statements of the Company

(2) For enterprises in which the Company holds a controlling interest of 20% or more, and for subsidiary companies in which the Company holds 100% equity, the fund lending to each individual enterprise shall not exceed 20% of the Company's net worth.

Note 3: In accordance with the operating procedures for fund lending to others, it shall be implemented upon approval by the Board of Directors and reported to the shareholders' meeting for reference.

Note 4: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2025 as follows: USD:TWD 1:31.43.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount secured by property for endorsements/ guarantees	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
		Company name	Relationship with the endorser/guarantor (Note 1)											
0	Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	2	\$ 1,146,219	\$ 534,310	\$ 534,310	\$ 8,643	\$ -	13.98%	\$ 1,528,292	Y	N	N	—
0	Macauto Industrial Co., Ltd.	Macauto International Development Co., Ltd.	1	1,146,219	81,910	81,910	81,910	81,910	2.14%	1,528,292	N	N	N	—

Note 1: Explanation of Relationship Codes with the Company:

(1) Trading partner.

(2) Companies in which the Company directly or indirectly holds voting rights exceeding 50%.

Note 2: The total endorsement guarantee amount by the Company to external parties is limited to 30% of the most recent audited or certified financial statements' net worth. The endorsement guarantee amount to a single enterprise shall not exceed 30% of the of the Company's net worth. The overall endorsement guarantee amount by the Company and its subsidiaries shall not exceed 40% of the Company's net worth, and the endorsement guarantee amount to a single enterprise shall not exceed 40% Company's net worth. However, if approved by the Board of Directors, for subsidiaries in which the Company holds 100% of the voting rights directly or indirectly, the endorsement guarantee limit may exceed the aforementioned limits related to net worth for a single enterprise and the endorsed company.

Note 3: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2025 as follows: USD:TWD 1:31.43.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

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

For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD

								Description and reasons for difference in transaction terms compared to non-related party		Notes or accounts receivable / (payable)		
Description of transaction												
Purchases / Sales company	Name of the counterparty	Relationship	Purchases / (Sales)	Amount	Percentage of net purchases/(sales)	Credit period	Unit Price	Credit Period	Amount	Percentage of notes or accounts receivable/(payable)	Note	
Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	Subsidiary	(Sales)	(\$ 341,506)	(12%)	Closes its accounts 90 days after the end of each month	—	(Note 2)	\$ 227,724	39%	—	
"	Kunshan Macauto Automobile Parts Industry Co., Ltd.	Subsidiary	Purchases	102,468	7%	Closes its accounts 90 days after the end of each month	—	(Note 3)	(29,375)	(9%)	—	
MACAUTO MEXICO, S.A. DE C.V.	MACAUTO USA,INC.	Subsidiary	(Sales)	(352,857)	(24%)	Closes its accounts 90 days after the end of each month	—	(Note 2)	38,307	17%	—	
Kunshan Macauto Automobile Parts Industry Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	Subsidiary	(Sales)	(172,119)	(52%)	Closes its accounts 90 days after the end of each month	—	(Note 2)	38,738	47%	—	

Note 1: The transactional relationships with related parties are not separately disclosed as they only differ in the direction of the transactions.

Note 2: Payment terms for regular customers are net 1 to 3 months, based on the company's credit management policy.

Note 3: Payment terms to general suppliers are 1 to 3 month(s) after monthly billings.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more

For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD

Purchases / Sales company	Name of the counterparty	Relationship	Accounts receivable from related parties (Note 1)	Turnover rate	Overdue receivable		Subsequent collections	Allowance for doubtful accounts
					Amount	Action taken for overdue accounts		
Macauto Industrial Co., Ltd	MACAUTO MEXICO, S.A. DE C.V.	Subsidiary	\$ 510,724	0.72	\$ 274,208	(Note)	\$ 61,370	\$ -

Note: Transfer to other receivables and regular follow-up to strengthen collection.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction		Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	
0	Macauto Industrial Co., Ltd.	Kunshan Macauto Automobile Parts Industry Co., Ltd.	1	Sales	\$ 94,757	price negotiation, O/A 90 days 1%
		"	1	Purchases	40,962	price negotiation, O/A 90days 1%
		"	1	Accounts receivable	19,894	— —
		"	1	Accounts payable	7,875	— —
		"	1	Other income	15,422	— —
		MACAUTO USA, INC.	1	Sales	42,106	price negotiation, O/A 90 days 1%
		"	1	Accounts receivable	13,940	— —
		"	1	Other payables	19,122	— —
		"	1	Export fees	54,399	— 1%
		MACAUTO GROUP GmbH	1	Service fees	47,269	— 1%
		MACAUTO MEXICO, S.A. DE C.V.	1	Endorsement guarantee	534,310	— 8%
		"	1	Sales	341,506	price negotiation, O/A 90 days 5%
		"	1	Accounts receivable	227,724	— 4%
		"	1	Other receivables	283,000	— 4%
		Kunshan Macauto Automobile Parts Sales Co., Ltd.	1	Sales	32,090	price negotiation, O/A 90 days 1%
		"	1	Accounts receivable	7,570	— —
		"	1	Purchases	102,468	price negotiation, O/A 90 days 2%
		"	1	Accounts payable	29,375	— —
		MACAUTO KOREA YOOHANHEOSA	1	Service fees	22,960	— —
1	Kunshan Macauto Automobile Parts Industry Co., Ltd.	MACAUTO USA, INC.	3	Sales	57,721	price negotiation, O/A 100 days 1%
		"	3	Accounts receivable	36,164	— 1%
2	Kunshan Macauto Automobile Parts Sales Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	3	Sales	172,119	price negotiation, O/A 90 days 3%
		"	3	Accounts receivable	38,738	— 1%
3	MACAUTO MEXICO, S.A. DE C.V.	MACAUTO USA, INC.	3	Sales	352,857	price negotiation, O/A 30 days 6%
		"	3	Accounts receivable	38,307	— 1%
		"	3	Contract liabilities	26,455	— —

Note 1: As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amounting to more than \$5,000 are disclosed.

Note 2: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 3: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount at the end of the period to consolidated total operating revenues for statement of comprehensive income accounts.

Note 5: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2025 as follows: USD:TWD 1:31.43, MXN:TWD 1:1.7493 and RMB: NTD 1:4.496.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized for the year ended December 31, 2025	Note
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Macaoto Industrial Co., Ltd.	CRACK MYTHOLOGY INTERNATIONAL LTD.	Mauritius	General investment	\$ 100,576	\$ 100,576	3,200,000	100%	\$ 1,569,934	\$ 175,887	\$ 175,887	Subsidiary
	MACAUTO MEXICO, S.A. DE C.V.	Mexico	Automobile Sun Shade	630,172	630,172	-	100%	469,695	48,583	48,583	Subsidiary
	MACAUTO USA, INC.	USA	Automobile Sun Shade	37,716	37,716	4,000,000	100%	132,459	1,213	1,213	Subsidiary
	MACAUTO GROUP GmbH	Germany	Automobile Sun Shade	86,715	86,715	-	100%	94,621	2,619	2,619	Subsidiary
	MACAUTO KOREA YOOHANHEOSA	Korea	Automobile Sun Shade	2,200	2,200	100,000	100%	4,242	896	896	Subsidiary
	Macaoto Slovakia s. r. o.	Slovakia	Automobile Sun Shade	62,730	3,875	-	100%	51,380 (	10,421) (	10,421)	Subsidiary
	MACAUTO HOLDINGS LLC	USA	General investment	7,244	7,244	230,477	100%	-	-	-	Subsidiary

Note: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2025 as follows: USD:TWD 1:31.43 、 EUR:TWD 1:36.90 and KRW:TWD 1:0.0220.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the year ended December 31, 2025

Table 7

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income (loss) of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Macauto Automobile Parts Industry Co., Ltd.	Automobile Sun Shade	\$ 122,577	(Note 1) (Note 2)	\$ 100,576	\$ -	\$ -	\$ 100,576	\$ 174,169	100%	\$ 174,169	\$ 1,580,566	\$ 424,640	(Note 4)
Kunshan Macauto Automobile Parts Sales Co., Ltd.	Sales of Automobile Sun Shade and the components, etc.	44,960	(Note 3)	-	-	-	-	12,112	100%	12,112	78,858	-	(Note 4)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
Macauto Industrial Co., Ltd	\$ 100,576	\$ 122,577	\$ 2,292,439

Note 1: Establishment of a company in a third territory (CRACK MYTHOLOGY INTERNATIONAL LTD.) for the purpose of investing in mainland China.

Note 2: Of which \$ 22,001 (USD 0.7 million) is invested indirectly in the mainland company through the increase in capital from the earnings of CRACK MYTHOLOGY INTERNATIONAL LTD. in the third territory.

Note 3: Investment in mainland China through the mainland company (Kunshan Macauto Automobile Parts Industry Co., Ltd.).

Note 4: The valuation and recognition of the investment amount is based on the financial statements of the invested company audited by the certified public accountant for the same period.

Note 5: The investment limit is calculated based on 60% of the net worth or consolidated net worth, whichever is higher.

Note 6: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2025 as follows: USD: NTD 1:31.43 and RMB: NTD 1:4.496.