

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Parent Company Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Min Aik Precision Industrial Co., Ltd. :

Opinion

We have audited the financial statements of Min Aik Precision Industrial Co., Ltd. (“the Company”), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the year ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgement, should be communicated are as follow:

Investments accounted for using equity method

Please refer to Notes 4(h) “Investment in subsidiaries” of the notes to financial statement for the accounting policies on investment in associates.

Description of key audit matter:

The subsidiaries that accounted for using equity method, revenue recognition and inventory valuation are material to the parent company only financial statements. The abovementioned valuation may have significant impact to the Company's operating results. Therefore, the revenue recognition and inventory valuation are considered to be the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures on revenue recognition included the understanding of internal control system over automatic equipment revenue; inspecting the contracts entered into with the customers; sending confirmation requests to debtors selected from the sales customers. We also assessed the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

Our principal audit procedures of inventory valuation included understanding the subsidiaries' s policies of inventory valuation to assess the appropriateness of its inventory valuation; testing, on a sampling basis, the subsidiary's inventory aging report to verify its correctness; understanding and testing, on a sampling basis, the selling price that the management used, or reviewing the subsequent sales of the inventories to assess the appropriateness of the net realizable value.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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.

The engagement partners on the audit resulting in this independent auditors' report are Tsai, Meng-Chuan and Cheng, An-Chih.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MIN AIK PRECISION INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 181,357	6	261,761	9	2100	Short-term borrowings (note 6(g))	\$ 370,000	13	220,000	8
1170	Accounts receivable, net (notes 6(b) and (n))	190,566	7	206,030	7	2170	Accounts payable	181,166	7	156,683	5
1181	Accounts receivable from related parties (notes 6(b), (n) and 7)	195,273	7	158,400	6	2201	Salaries and wages payable	81,438	3	110,711	4
1310	Inventories (note 6(c))	294,909	11	322,271	11	2230	Current income tax liabilities	-	-	2,109	-
1479	Other current assets (notes 7 and 8)	35,747	1	52,410	2	2280	Current lease liabilities (note 6(i))	400	-	-	-
		<u>897,852</u>	<u>32</u>	<u>1,000,872</u>	<u>35</u>	2300	Other current liabilities (notes 6(n) and 7)	95,450	3	121,997	4
Non-current assets:						2322	Long-term borrowings, current portion (notes 6(h) and 8)	<u>162,000</u>	<u>6</u>	<u>64,000</u>	<u>2</u>
1551	Investments accounted for using equity method (note 6(d))	864,570	30	911,341	31			<u>890,454</u>	<u>32</u>	<u>675,500</u>	<u>23</u>
1600	Property, plant and equipment (notes 6(e), 7, 8 and 9)	1,012,683	36	929,429	32	Non-Current liabilities:					
1755	Right-of-use assets (note 6(f))	1,616	-	-	-	2541	Long-term borrowings (notes 6(h) and 8)	-	-	162,000	6
1995	Other non-current assets (notes 6(j) and (k))	55,968	2	51,047	2	2570	Deferred tax liabilities (note 6(k))	40,184	1	47,488	2
		<u>1,934,837</u>	<u>68</u>	<u>1,891,817</u>	<u>65</u>	2580	Non-current lease liabilities (note 6(i))	<u>1,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
								<u>41,412</u>	<u>1</u>	<u>209,488</u>	<u>8</u>
							Total liabilities	<u>931,866</u>	<u>33</u>	<u>884,988</u>	<u>31</u>
							Equity attributable to owners of parent (note 6(l)):				
						3110	Ordinary share	770,000	27	770,000	27
						3200	Capital surplus	642,785	23	642,785	22
						3310	Legal reserve	287,491	10	268,811	9
						3320	Special reserve	10,841	-	45,565	1
						3350	Unappropriated retained earnings	198,086	7	291,381	10
						3410	Exchange differences on translation of foreign financial statements	(8,380)	-	(10,841)	-
							Total equity	<u>1,900,823</u>	<u>67</u>	<u>2,007,701</u>	<u>69</u>
Total assets		<u>\$ 2,832,689</u>	<u>100</u>	<u>2,892,689</u>	<u>100</u>		Total liabilities and equity	<u>\$ 2,832,689</u>	<u>100</u>	<u>2,892,689</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2025		2024	
	Amount	%	Amount	%
4111 Operating revenue (notes 6(n) and 7)	\$ 1,551,522	101	1,455,184	101
4170 Less: Sales returns	<u>16,614</u>	<u>1</u>	<u>15,080</u>	<u>1</u>
Net operating revenue	1,534,908	100	1,440,104	100
5111 Operating costs (notes 6(c), (i), (j), (o), 7 and 12):	<u>1,339,428</u>	<u>87</u>	<u>1,146,696</u>	<u>80</u>
Gross profit from operations	<u>195,480</u>	<u>13</u>	<u>293,408</u>	<u>20</u>
Operating expenses (notes 6(b), (i), (j), (o), 7 and 12):				
6100 Selling expenses	44,434	3	40,097	3
6200 Administrative expenses	98,338	7	126,395	8
6300 Research and development expenses	15,444	1	12,612	1
6450 Impairment loss determined in accordance with IFRS 9	<u>36,631</u>	<u>2</u>	<u>805</u>	<u>-</u>
Total operating expenses	<u>194,847</u>	<u>13</u>	<u>179,909</u>	<u>12</u>
Net operating income	<u>633</u>	<u>-</u>	<u>113,499</u>	<u>8</u>
Non-operating income and expenses (notes 6(d), (e), (i), (p) and 7):				
7100 Interest income	1,077	-	1,713	-
7010 Other income	4,083	-	20,164	2
7020 Other gains and losses, net	(20,845)	(1)	26,943	2
7050 Finance costs	(10,469)	(1)	(9,348)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	<u>42,394</u>	<u>3</u>	<u>75,497</u>	<u>5</u>
	<u>16,240</u>	<u>1</u>	<u>114,969</u>	<u>8</u>
7900 Profit before tax income	16,873	1	228,468	16
7950 Less: Income tax expenses (note 6(k))	<u>3,768</u>	<u>-</u>	<u>45,693</u>	<u>3</u>
Net profit	<u>13,105</u>	<u>1</u>	<u>182,775</u>	<u>13</u>
8300 Other comprehensive income (loss):				
8310 Item that may not be reclassified subsequently to profit or loss				
8311 Gains on remeasurements of defined benefit plans (note 6(j))	<u>4,606</u>	<u>-</u>	<u>4,019</u>	<u>-</u>
8360 Item that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	<u>2,461</u>	<u>-</u>	<u>34,724</u>	<u>2</u>
8300 Other comprehensive income, net of income tax	<u>7,067</u>	<u>-</u>	<u>38,743</u>	<u>2</u>
Total comprehensive income	<u>\$ 20,172</u>	<u>1</u>	<u>221,518</u>	<u>15</u>
9750 Basic earnings per share (NT dollars) (note 6(m))	<u>\$ 0.17</u>		<u>2.37</u>	
9850 Diluted earnings per share (NT dollars) (note 6(m))	<u>\$ 0.17</u>		<u>2.36</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equity	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	
Balance on January 1, 2024	\$ 770,000	642,785	261,178	49,681	185,104	(45,565)	1,863,183
Profit	-	-	-	-	182,775	-	182,775
Other comprehensive income	-	-	-	-	4,019	34,724	38,743
Total comprehensive income	-	-	-	-	186,794	34,724	221,518
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	7,633	-	(7,633)	-	-
Reversal of special reserve	-	-	-	(4,116)	4,116	-	-
Cash dividends on ordinary share	-	-	-	-	(77,000)	-	(77,000)
Balance on December 31, 2024	<u>770,000</u>	<u>642,785</u>	<u>268,811</u>	<u>45,565</u>	<u>291,381</u>	<u>(10,841)</u>	<u>2,007,701</u>
Profit	-	-	-	-	13,105	-	13,105
Other comprehensive income	-	-	-	-	4,606	2,461	7,067
Total comprehensive income	-	-	-	-	17,711	2,461	20,172
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	18,680	-	(18,680)	-	-
Reversal of special reserve	-	-	-	(34,724)	34,724	-	-
Cash dividends on ordinary share	-	-	-	-	(127,050)	-	(127,050)
Balance on December 31, 2025	<u>\$ 770,000</u>	<u>642,785</u>	<u>287,491</u>	<u>10,841</u>	<u>198,086</u>	<u>(8,380)</u>	<u>1,900,823</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 16,873	228,468
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation and amortization expense	63,623	60,765
Impairment loss determined in accordance with IFRS 9	36,631	805
Interest expense	10,469	9,348
Interest income	(1,077)	(1,713)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(42,394)	(75,497)
Gain from disposal of property, plant and equipment	(2,525)	(955)
Total adjustments to reconcile profit (loss)	64,727	(7,247)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable (including related parties)	(58,040)	(99,628)
Inventories	49,014	(76,583)
Other current assets	(3,806)	(29,814)
Other operating assets	(882)	(878)
Total changes in operating assets	(13,714)	(206,903)
Changes in operating liabilities:		
Accounts payable (including related parties)	24,483	54,588
Other current liabilities	(56,808)	65,053
Total changes in operating liabilities	(32,325)	119,641
Total changes in operating assets and liabilities	(46,039)	(87,262)
Total adjustments	18,688	(94,509)
Cash inflow generated from operations	35,561	133,959
Interest received	1,077	1,760
Interest paid	(10,733)	(9,616)
Income taxes paid	(14,292)	(73,167)
Net cash flows from operating activities	11,613	52,936
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	-	10,643
Cash dividends from investment accounted for using equity method	91,626	119,852
Acquisition of property, plant and equipment	(141,725)	(34,611)
Proceeds from disposal of property, plant and equipment	3,378	1,046
Increase in refundable deposits	(85)	(24)
Increase in other non-current assets	(3,881)	(3,603)
Net cash flows (used in) from investing activities	(50,687)	93,303
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowing	150,000	(10,000)
Repayments of long-term borrowing	(64,000)	(64,000)
Payment of lease liabilities	(280)	(24)
Cash dividends paid	(127,050)	(77,000)
Net cash flows used in financing activities	(41,330)	(151,024)
Net decrease in cash and cash equivalents	(80,404)	(4,785)
Cash and cash equivalents at beginning of period	261,761	266,546
Cash and cash equivalents at end of period	\$ 181,357	261,761

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
MIN AIK PRECISION INDUSTRIAL CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Min Aik Precision Industrial Co., Ltd. (the “Company”) was incorporated on January 18, 2001, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company’s shares were listed on the Taiwan Stock Exchange (TWSE) on January 6, 2016. The address of its registered office is No. 2, Guorui Rd., Guanyin Dist., Taoyuan City. The Company mainly engages in the processing and manufacturing of electroplating of aluminum and copper products, precision stamping components and electroless nickel plating.

(2) Approval date and procedures of the financial statements:

These parent company only financial statements were authorized for issuance by the Board of Directors on March 5, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>January 1, 2027</p> <p>note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) The defined benefit assets are measured at the fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
 - (ii) It is held primarily for the purpose of trading;
 - (iii) It is due to be settled within twelve months after the reporting period; or
 - (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.
- (e) Cash and cash equivalents

Cash comprises cash, and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

- (f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

- (i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost and FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, guarantee deposit paid and other financial assets), and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, the net income, other comprehensive income and equity in the parent company only financial statements are the same as those attributable to the owners of parent in the consolidated financial statements.

Changes in parent's ownership interest in a subsidiary that do not result in the loss of control are recognized under equity.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- 1) Buildings: 50 years
- 2) Building facilities: 3~5 years
- 3) Machinery and equipment: 2~20 years
- 4) Office and other equipment : 2~20 years
- 5) Leasehold improvement : 2~9 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and the assets arising on employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated. An impairment loss recognized in prior periods for an asset is reversed if, and only if, there has been an improvement in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the asset is increased to its recoverable amount by reversing an impairment loss.

(l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(m) Revenue recognized

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Notes to the Financial Statements**

The Company manufactures and sells electronic components to computer and automobile manufacturers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Notes to the Financial Statements**

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses), and does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits increases.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares (e.g. employee bonuses not yet resolved by the shareholders.).

(q) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statements.

(r) Government grants

The Company recognizes an unconditional government in profit or loss as other income when the grant becomes receivable. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

For government grants related to depreciated assets, the Company recognized as the deduction of the assets if there is reasonable assurance that the grants will be received and the Company will comply with the conditions associated with the grant; and through the decrease in depreciation expenses, the grants are then recognized in profit or loss during the useful lives of the depreciated assets.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these individual financial statements in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers,' management has made judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Transactions accounted for in accordance with the adopted accounting policies do not involve significant judgments.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment with the following year is as follows:

(a) Valuation of inventories of subsidiaries accounted for using equity method

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be changes in the net realizable value of inventories.

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial division conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial division also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to Note 6(q) for assumptions used in measuring fair value.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash, petty cash, check and demand deposits	<u>\$ 181,357</u>	<u>261,761</u>

Please refer to note 6(q) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Accounts receivable (include related parties)

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 229,738	208,571
Accounts receivable from related parties	195,273	158,400
Less: Loss allowance	<u>(39,172)</u>	<u>(2,541)</u>
	<u>\$ 385,839</u>	<u>364,430</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision for accounts receivables was determined as follows:

December 31, 2025			
Accounts receivable -non-related parties	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 190,573	1%	2,359
Past due (days):			
1 to 60	2,049	1%	21
181 to 360	647	50%	323
More than 360	<u>36,469</u>	100%	<u>36,469</u>
	<u>\$ 229,738</u>		<u>39,172</u>

December 31, 2025			
Accounts receivable -related parties	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 192,397	0%	-
Past due (days):			
1 to 60	<u>2,876</u>	0%	<u>-</u>
	<u>\$ 195,273</u>		<u>-</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

December 31, 2024			
Accounts receivable -non-related parties	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 161,756	1%	1,637
1 to 60	35,918	1%	359
61 to 120	10,897	5%	545
	\$ 208,571		2,541

December 31, 2024			
Accounts receivable -related parties	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 158,400	0%	-

The movement in the allowance for accounts receivable was as follows:

	2025	2024
Balance on January 1, 2025 and 2024	\$ 2,541	1,736
Impairment losses recognized	36,631	805
Balance on December 31, 2025 and 2024	\$ 39,172	2,541

As of December 31, 2025 and 2024, the Company did not provide any accounts receivable as collateral for its loans.

Please refer to note 6(q) for other credit risk.

(c) Inventories

	December 31, 2025	December 31, 2024
Raw materials and consumables	\$ 65,162	56,858
Work in process	38,213	53,200
Finished goods	191,534	212,213
	\$ 294,909	322,271

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

The detail of the cost of sales were as follows:

	<u>2025</u>	<u>2024</u>
Inventory that has been sold	\$ 1,402,440	1,182,487
Abnormal amounts of production cost of inventories	42,295	42,622
Write-down of inventories and loss on inventories write-off	15,138	22,590
Loss on inventory count	3,774	3,230
Revenue from sale of scraps	<u>(124,219)</u>	<u>(104,233)</u>
	<u>\$ 1,339,428</u>	<u>1,146,696</u>

As of December 31, 2025 and 2024, the Company did not provide any inventories as collateral for its loans.

(d) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Esteem King Limited (Esteem King)	<u>\$ 864,570</u>	<u>911,341</u>

- (i) For subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2025.
- (ii) In order to simplify the organizational framework, the Company's Board of Directors passed a resolution in May 2023 to liquidate its subsidiary, Evolution, and completed the liquidation procedure in March 2024. In addition, the Company completed the approval and registration by the Investment Review Committee of the Ministry of Economic Affairs in June 2024 to complete the dissolution.
- (iii) The Company recognized investment income based on subsidiaries' financial statements with same fiscal period that was audited by the Certified Public Accountant.
- (iv) As of December 31, 2025 and 2024, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Office and other equipment</u>	<u>Construction in progress and testing equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2025	\$ 596,362	181,639	684,363	342,293	15,303	1,819,960
Additions	-	6,536	45,602	14,433	76,406	142,977
Disposal	-	-	(23,139)	(6,158)	-	(29,297)
Transfer	-	-	14,157	58	(14,215)	-
Balance on December 31, 2025	<u>\$ 596,362</u>	<u>188,175</u>	<u>720,983</u>	<u>350,626</u>	<u>77,494</u>	<u>1,933,640</u>
Balance on January 1, 2024	\$ 596,362	181,639	696,336	329,255	2,879	1,806,471
Additions	-	-	9,532	15,045	14,529	39,106
Disposal	-	-	(23,610)	(2,007)	-	(25,617)
Transfer	-	-	2,105	-	(2,105)	-
Balance on December 31, 2024	<u>\$ 596,362</u>	<u>181,639</u>	<u>684,363</u>	<u>342,293</u>	<u>15,303</u>	<u>1,819,960</u>
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	29,716	572,889	287,926	-	890,531
Depreciation	-	3,945	36,026	18,899	-	58,870
Disposal	-	-	(22,538)	(5,906)	-	(28,444)
Balance on December 31, 2025	<u>\$ -</u>	<u>33,661</u>	<u>586,377</u>	<u>300,919</u>	<u>-</u>	<u>920,957</u>
Balance on January 1, 2024	\$ -	26,116	559,466	271,377	-	856,959
Depreciation	-	3,600	37,033	18,465	-	59,098
Disposal	-	-	(23,610)	(1,916)	-	(25,526)
Balance on December 31, 2024	<u>\$ -</u>	<u>29,716</u>	<u>572,889</u>	<u>287,926</u>	<u>-</u>	<u>890,531</u>
Carrying amounts:						
Balance on December 31, 2025	<u>\$ 596,362</u>	<u>154,514</u>	<u>134,606</u>	<u>49,707</u>	<u>77,494</u>	<u>1,012,683</u>
Balance on December 31, 2024	<u>\$ 596,362</u>	<u>151,923</u>	<u>111,474</u>	<u>54,367</u>	<u>15,303</u>	<u>929,429</u>
Balance on January 1, 2024	<u>\$ 596,362</u>	<u>155,523</u>	<u>136,870</u>	<u>57,878</u>	<u>2,879</u>	<u>949,512</u>

As of December 31, 2025 and 2024, for the Company pledged property, plant and equipment as collateral for long-term borrowings, please refer to note 8.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(f) Right-of-use assets

The Company leases office and other equipment. Information about leases for which the Company as a lessee is presented below:

	<u>Office and other equipment</u>
Cost:	
Balance of January 1, 2025	\$ -
Additions	<u>1,907</u>
Balance on December 31, 2025	<u>\$ 1,907</u>
Balance of January 1, 2024	\$ 197
Disposal	<u>(197)</u>
Balance on December 31, 2024	<u>\$ -</u>
Depreciation and impairment losses:	
Balance of January 1, 2025	\$ -
Depreciation	<u>291</u>
Balance on December 31, 2025	<u>\$ 291</u>
Balance of January 1, 2024	\$ 174
Depreciation	23
Disposal	<u>(197)</u>
Balance on December 31, 2024	<u>\$ -</u>
Carrying amount:	
Balance on December 31, 2025	<u>\$ 1,616</u>
Balance on December 31, 2024	<u>\$ -</u>
Balance on January 1, 2024	<u>\$ 23</u>

(g) Short-term borrowings

The details were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	<u>\$ 370,000</u>	<u>220,000</u>
Unused short-term credit lines	<u>\$ 480,000</u>	<u>630,000</u>
Range of interest rates	<u>1.94%~2.06%</u>	<u>1.92%~2.06%</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(h) Long-term borrowings

The details were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 100,000	100,000
Secured bank loans	62,000	126,000
Less: current portion	<u>(162,000)</u>	<u>(64,000)</u>
Total	<u>\$ -</u>	<u>162,000</u>
Range of interest rates	<u>2.01%~2.30%</u>	<u>2.01%~2.29%</u>

For the collateral for long-term borrowings, please refer to note 8.

(i) Lease liabilities

The details were as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 400</u>	<u>-</u>
Non-current	<u>\$ 1,228</u>	<u>-</u>

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest expenses on lease liabilities	<u>\$ 26</u>	<u>-</u>
Expenses relating to short-term leases	<u>\$ 1,296</u>	<u>1,652</u>

For the maturity analysis, please refer to note 6(q).

The amounts recognized in the statement of cash flows were as follows:

	2025	2024
Total cash outflow for leases	<u>\$ 1,602</u>	<u>1,676</u>

The Company leases offices equipment, with lease terms of 5 years. Some leases contain extension options exercisable up to the same period as original contract before the end of the contract period.

The Company also leases staff dormitories and machine equipment with contract terms within one year. These leases are short-term items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(j) Employee benefit

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	\$ (28,078)	(29,014)
Fair value of plan assets	<u>66,401</u>	<u>61,848</u>
Net defined benefit assets	<u><u>\$ 38,323</u></u>	<u><u>32,834</u></u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$66,401 thousand as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

	2025	2024
Defined benefit obligations at January 1	\$ 29,014	28,225
Current service costs and interest cost	615	367
Remeasurements loss (gain):		
– Return on plan assets excluding interest income	(552)	407
– Financial assumptions	216	517
Benefits paid	<u>(1,215)</u>	<u>(502)</u>
Defined benefit obligations at December 31	<u><u>\$ 28,078</u></u>	<u><u>29,014</u></u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 61,848	56,162
Interest income	994	733
Remeasurements loss (gain):		
– Return on plan assets excluding interest income	4,270	4,943
Contributions paid by the employer	504	512
Benefits paid	<u>(1,215)</u>	<u>(502)</u>
Fair value of plan assets at December 31	<u>\$ 66,401</u>	<u>61,848</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 151	-
Net interest of net liabilities for defined benefit obligations	<u>(530)</u>	<u>(366)</u>
	<u>\$ (379)</u>	<u>(366)</u>
Operating expense	<u>\$ (379)</u>	<u>(366)</u>

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.300 %	1.600 %
Future salary increase rate	3.500 %	3.500 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$504 thousand.

The weighted average lifetime of the defined benefits plans is 8 years.

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

<u>Original actuarial assumptions</u>	<u>Influences of defined benefit plan assets</u>	
	<u>Increased 0.5%</u>	<u>Decreased 0.5%</u>
December 31, 2025		
Discount rate 1.300%	\$ 360	(379)
Future salary increasing rate 3.500%	(360)	345
December 31, 2024		
Discount rate 1.600%	472	(494)
Future salary increasing rate 3.500%	(471)	455

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$13,548 thousands and \$12,036 thousands for the years ended December 31, 2025 and 2024, respectively.

(k) Income taxes

(i) The components of income tax in the years 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax	\$ 11,000	22,599
Deferred tax	(7,232)	23,094
Income tax expense	<u>\$ 3,768</u>	<u>45,693</u>

(ii) The amount of income tax recognized directly in equity or other comprehensive income for 2025 and 2024 were both 0.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(iii) Reconciliation of income tax and profit before tax for 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Profit before income tax	\$ <u>16,873</u>	<u>228,468</u>
Income tax using the Company's domestic tax rate	3,375	45,693
Others	<u>393</u>	<u>-</u>
	<u>\$ 3,768</u>	<u>45,693</u>

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company's foreign subsidiaries have retained earnings, because of the demand of capital expenditures and working capital. The Company expects that some of these retained earnings will not be returned back to the Company in the foreseeable future under the consideration of Company's integral development and investment plan. Hence, the temporary differences are not recognized under deferred tax liabilities. As of December 31, 2025 and 2024, the unrecognized deferred tax liabilities each amounted to \$26,090 thousand for both periods.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<u>Unrealized exchange gain</u>	<u>Income from equity investments under the equity method</u>	<u>Total</u>
Deferred Tax Liabilities:			
Balance at January 1, 2025	\$ 1,537	45,951	47,488
Recognized in profit or loss	<u>650</u>	<u>(7,954)</u>	<u>(7,304)</u>
Balance at December 31, 2025	<u>\$ 2,187</u>	<u>37,997</u>	<u>40,184</u>
Balance at January 1, 2024	\$ -	22,778	22,778
Recognized in profit or loss	<u>1,537</u>	<u>23,173</u>	<u>24,710</u>
Balance at December 31, 2024	<u>\$ 1,537</u>	<u>45,951</u>	<u>47,488</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

	<u>Unrealized exchange loss</u>	<u>Allowance to reduce inventory</u>	<u>Others</u>	<u>Total</u>
Deferred Tax Assets:				
Balance at January 1, 2025	\$ -	(11,716)	(3,999)	(15,715)
Recognized in profit or loss	-	354	(282)	72
Balance at December 31, 2025	<u>\$ -</u>	<u>(11,362)</u>	<u>(4,281)</u>	<u>(15,643)</u>
Balance at January 1, 2024	\$ (1,630)	(8,623)	(3,846)	(14,099)
Recognized in profit or loss	1,630	(3,093)	(153)	(1,616)
Balance at December 31, 2024	<u>\$ -</u>	<u>(11,716)</u>	<u>(3,999)</u>	<u>(15,715)</u>

(v) Examination and Approval

The Company's tax returns for the years through 2023 were examined and approved by the Taipei National Tax Administration.

(l) Capital and other equity

As of December 31, 2025 and 2024, the total value of authorized ordinary shares both were amounted to \$1,000,000 thousand with par value of \$10 per share. As of that date, ordinary shares both were issued amounted to \$770,000 thousand.

(i) Capital surplus

The balances of capital surplus were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Issued share premium	\$ 592,499	592,499
Adjustment of re-segmentation	42,439	42,439
Employee share options	7,847	7,847
	<u>\$ 642,785</u>	<u>642,785</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(ii) Retained earnings

The Company's Articles of Incorporation requires that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid, the Company may, under its Articles of Incorporation or as required by the government, appropriate or reverse for special reserve. The remaining balance of the earnings, if any, may be appropriated according to a resolution of a shareholder's meeting.

In consideration of the shareholder's long-term benefit and stable operation, the Company adopts a stable dividends policy. Therefore, cash dividends should not be less than 30% of the aggregate dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2024 and 2023 were decided via the general meeting of shareholders held on May 29, 2025 and May 30, 2024. The relevant dividend distributions to shareholders were as follows.

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.65	<u>127,050</u>	1.00	<u>77,000</u>

Earnings distributions for 2024 and 2023 that decided by the general meeting of shareholders were not different from the resolution of board meeting. Related information would be available at the Market Observation Post System website.

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(m) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2025 and 2024 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, as follows:

	<u>2025</u>	<u>2024</u>
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>13,105</u>	<u>182,775</u>
Weighted-average number of ordinary shares (thousand shares)	<u>77,000</u>	<u>77,000</u>
Basic earnings per share (dollar)	\$ <u>0.17</u>	<u>2.37</u>

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2025 and 2024 was based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, as follows:

	<u>2025</u>	<u>2024</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>13,105</u>	<u>182,775</u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u>77,104</u>	<u>77,433</u>
Diluted earnings per share (dollar)	\$ <u>0.17</u>	<u>2.36</u>

Weighted-average number of ordinary shares (diluted) (thousand shares):

	<u>2025</u>	<u>2024</u>
Weighted-average number of ordinary shares (basic) (thousand shares)	77,000	77,000
Effect of dilutive potential ordinary shares:		
Effect of employee share bonus	<u>104</u>	<u>433</u>
Weighted average number of ordinary shares (diluted) (thousand shares)	<u>77,104</u>	<u>77,433</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(n) Revenue from contracts with customers

(i) Details of revenue

	<u>2025</u>	<u>2024</u>
Primary geographical markets		
Malaysia	\$ 922,042	799,841
Taiwan	256,474	199,301
Thailand	220,078	226,789
Philippines	52,507	19,342
China	47,068	177,000
Others	36,739	17,831
	<u>\$ 1,534,908</u>	<u>1,440,104</u>

(ii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable	\$ 425,011	366,971	267,343
Less: allowance for impairment	(39,172)	(2,541)	(1,736)
Total	<u>\$ 385,839</u>	<u>364,430</u>	<u>265,607</u>
Contract liabilities	<u>\$ -</u>	<u>12,647</u>	<u>1,414</u>

For details on accounts receivable and allowance for impairment, please refer to note 6(b).

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2025 and 2024, which was included in the contract liability balance at the beginning of the period, was \$12,647 thousand and \$801 thousand, respectively.

(o) Employee compensation and directors' remuneration

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3%~9% shall be allocated as employee remuneration (including a minimum of 20% to those base-level employees) and a maximum of 3% as remunerations for directors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements.

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MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3%~9% should be allocated as employee remuneration and no more than 3% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the years ended December 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$1,312 thousand and \$17,770 thousand, respectively, and directors' remuneration amounting to \$562 thousand and \$7,616 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2025. If any differences between the actual and estimated amount occur after the reporting date, they shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

The amounts mentioned above were identical to those of the actual distributions for 2025 and 2024. The related information can be accessed from the Market Observation Post System website.

(p) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Rent income	\$ 3,178	3,194
Other income	<u>905</u>	<u>16,970</u>
	<u>\$ 4,083</u>	<u>20,164</u>

(ii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Net foreign exchange gain (loss)	\$ (23,370)	25,965
Net gain on disposal of property, plant and equipment	2,525	955
Others	<u>-</u>	<u>23</u>
	<u>\$ (20,845)</u>	<u>26,943</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(q) Financial instruments

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which is derived primarily from the Company's accounts receivable.

1) Credit risk exposure

As at reporting date, the carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2025 and 2024, the maximum amounts that exposed to credit risk were \$581,382 thousand and \$639,715 thousand, respectively. Since the Company's bank deposits are deposited in many different finance institutions with good credit rating. Therefore, there is no significant credit risk.

2) Concentration of credit risk

The concentration of credit risk is mainly affected by creditors' rating and the client's industry. As of December 31, 2025 and 2024, 91% and 99%, respectively, of the Company's accounts receivable were concentrated on top five sales clients.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>
December 31, 2025					
Non-derivative financial liabilities					
Bank loans	\$ 532,000	534,302	534,302	-	-
Accounts payable	181,166	181,166	181,166	-	-
Lease liabilities	1,628	1,694	429	429	836
Other financial liabilities	175,353	175,353	175,353	-	-
	<u>\$ 890,147</u>	<u>892,515</u>	<u>891,250</u>	<u>429</u>	<u>836</u>
December 31, 2024					
Non-derivative financial liabilities					
Bank loans	\$ 446,000	452,168	289,020	163,148	-
Account payable (including related parties)	156,683	156,683	156,683	-	-
Other financial liabilities	219,381	219,381	219,381	-	-
	<u>\$ 822,064</u>	<u>828,232</u>	<u>665,084</u>	<u>163,148</u>	<u>-</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 14,382	31.43	452,014	11,844	32.79	388,309
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	199	31.43	6,255	238	32.79	7,789

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, accounts payable that are denominated in foreign currency. A weakening or strengthening of 1% of the NTD against the foreign currency as of 31 December, 2025 and 2024 would have decreased or increased the net profit before tax by \$4,458 thousand and \$3,805 thousand, respectively. The analysis is performed on the same basis for 2024.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(23,370) thousand and \$25,965 thousand, respectively.

4) Interest rate analysis

Please refer to the notes on liquidity risk management for the interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases a quarter-point when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Notes to the Financial Statements

If the interest rate had increased or decreased by a quarter-point, the Company's net income before tax would have decreased or increased by \$50 thousand and \$91 thousand for the year ended 2025 and 2024 with all other variable factors remaining constant. This is mainly due to the changes in the Company's variable-interest-rate loans and deposits.

The Company's fixed-interest-rate financial liabilities are measured at amortized cost. The changes in market rate do not affect the Company's profit or loss on the reporting date. Therefore, the Company does not disclose the sensitivity analysis of the changes in fair value.

(iv) Fair value of financial instruments

The carrying amounts and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy are as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value disclosure of fair value information is not required:

	December 31, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 181,357				
Accounts receivable	190,566				
Accounts receivable – related party	195,273				
Other financial assets	<u>14,186</u>				
Subtotal	<u>\$ 581,382</u>				
Financial liabilities measured at amortized cost					
Long term and short term borrowing	\$ 532,000				
Accounts payable	181,166				
Lease liabilities	1,628				
Other financial liabilities	<u>175,353</u>				
Subtotal	<u>\$ 890,147</u>				

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

	December 31, 2024			
	<u>Book Value</u>	<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets measured at amortized cost				
Cash and cash equivalents	\$ 261,761			
Accounts receivable	206,030			
Accounts receivable – related party	158,400			
Other financial assets	<u>13,524</u>			
Subtotal	<u>\$ 639,715</u>			
Financial liabilities measured at amortized cost				
Long term and short term borrowing	\$ 446,000			
Accounts payable	156,683			
Other financial liabilities	<u>219,381</u>			
Subtotal	<u>\$ 822,064</u>			

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial instruments traded in an active market is based on the quoted market price. The quotation announced by the stock exchange center or exchange center, might be regarded as the fair value of the listed equity securities which is traded in an active market.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

The Company's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

- Measurements of fair value of financial instruments with an active market, such as listed company stock, beneficiary certificate etc., its fair value depends on the market quotation.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Notes to the Financial Statements

- Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

2) There were no transfers between each fair value levels in 2025 and 2024.

(r) Financial risk management

(i) Structure of risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) The Company have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes 6(q) in the accompanying consolidated financial statements.

(s) Capital management

The Company's capital management policy is to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases and debt service requirements associated with its existing operations over the next 12 months, wherein it also take the debt ratio into consideration to maintain investors, creditors and market confidence, as well as to sustain the future development of the business. The Company's capital management strategy was consistent with that of the prior year, in which the debt ratios of 33% and 31% were taken into account as of December 31, 2025 and 2024, respectively.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(t) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2025 and 2024, were as follows:

- (i) Obtain right-of-assets by lease, please refer to note 6(f).
- (ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Others	December 31, 2025
Short-term borrowings	\$ 220,000	150,000	-	370,000
Long-term borrowings	226,000	(64,000)	-	162,000
Lease liabilities	-	(280)	1,908	1,628
Total liabilities from financing activities	\$ 446,000	85,720	1,908	533,628

	January 1, 2024	Cash flows	Others	December 31, 2024
Short-term borrowings	\$ 230,000	(10,000)	-	220,000
Long-term borrowings	290,000	(64,000)	-	226,000
Lease liabilities	24	(24)	-	-
Total liabilities from financing activities	\$ 520,024	(74,024)	-	446,000

(7) Related-party transactions:

(a) Names and relationship with related parties

Name of related party	Relationship with the Company
Min Aik Technology Co., Ltd. (MAT)	The entity with significant influence over the Company
Min Aik Technology (M) Sdn. Bhd. (MAM)	Other related party (MAT's subsidiary)
MATC Technology (M) Sdn. Bhd. (MATC)	"
Esteem King Limited. (Esteem King)	Subsidiaries or indirect holding subsidiaries
Amould Plastic Technologies (Suzhou) Co., Ltd. (AMO)	"
Key management personnel	The Company's major management personnel

(b) Parent company and ultimate controlling company

The Company is the subsidiaries' parent company and the ultimate controlling party.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales and uncollected receivables by the Company to related parties were as follows:

	<u>Sales</u>		<u>Receivables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The entity with significant influence over the Company:				
MAT	\$ 241,408	181,946	87,566	71,757
Other related parties:				
MAM	280,234	235,248	104,831	86,643
Others	<u>2,735</u>	<u>-</u>	<u>2,876</u>	<u>-</u>
	<u>\$ 524,377</u>	<u>417,194</u>	<u>195,273</u>	<u>158,400</u>

The payment terms of the sales to related parties is O/A 90~120 days. The payment terms to non-related parties normally about two to four months. The selling price to related parties is referred to the market price and negotiated by both parties.

(ii) Accepting services from and other accounts payable to related parties

	<u>Transaction amount</u>		<u>Other accounts payable-related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries	\$ -	74	19	19
The entity with significant influence over the Company	6,528	6,179	1,227	1,130
Other related parties	<u>2,365</u>	<u>1,072</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,893</u>	<u>7,325</u>	<u>1,246</u>	<u>1,149</u>

(iii) Rendering of services and other accounts receivable from related parties

	<u>Transaction amount</u>		<u>Other accounts receivable- related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The entity with significant influence over the Company	\$ -	325	-	350
Other related parties	<u>1,223</u>	<u>1,304</u>	<u>223</u>	<u>189</u>
	<u>\$ 1,223</u>	<u>1,629</u>	<u>223</u>	<u>539</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(iv) Purchase of property, plant and equipment and other accounts payable to related parties

The Company purchased machines from subsidiaries for its operating demand. The transaction amounts for the years 2025 and 2024 were \$11,074 thousand and \$0 thousand, respectively, and both have been paid. Futhermore, as of December 31, 2025 and 2024, the outstanding balance incurred from the contract were \$1,088 thousand and \$10,567 thousand, respectively, recognized as prepayments for equipment.

(v) Guarantee

As of December 31, 2025 and 2024, the Company's guarantees for subsidiaries' bank loans were \$31,430 thousand and \$32,785 thousand, respectively, without any actual drawdown for both periods.

(vi) Loans to related parties

In the years 2025 and 2024, the subsidiary provided capital loans to the Company, each amounting to USD \$5,500 thousand. The actual amount disbursed was repaid by December 31, 2024. The related interest expenses for 2025 totaled \$0 thousand, recognized as financial costs, and no funds were disbursed in 2024.

(d) Key management personnel compensation

Key management personnel compensation were as follows:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 19,417	37,519
Post-employment benefits	243	243
	<u>\$ 19,660</u>	<u>37,762</u>

(8) Pledged assets

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land and buildings	Long-term borrowings	\$ 661,542	663,717
Restricted bank deposits	Guarantee for post release duty payment	1,000	1,000
		<u>\$ 662,542</u>	<u>664,717</u>

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(9) Significant contingent liabilities and unrecognized commitments

(a) The Company's unrecognized contractual commitments are as follows:

	December 31, 2025	December 31, 2024
Purchase commitment	<u>\$ 72,555</u>	<u>75,019</u>
Acquisition of property, plant and equipment	<u>\$ 66,163</u>	<u>11,697</u>

(b) The guarantee notes issued by the Company for obtaining the bank loan amount are as follows:

	December 31, 2025	December 31, 2024
Issued guarantee notes	<u>\$ 1,210,000</u>	<u>1,215,000</u>

(c) Please refer to note 7 for the Company provided an endorsements and guarantees for subsidiaries' bank loan.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	318,130	55,120	373,250	314,548	71,070	385,618
Labor and health insurance	36,546	4,911	41,457	30,760	4,407	35,167
Pension	11,263	1,906	13,169	9,931	1,739	11,670
Remuneration of directors	-	9,642	9,642	-	20,681	20,681
Others	8,838	8,712	17,550	8,774	8,774	17,548
Depreciation	52,211	6,950	59,161	52,404	6,717	59,121
Amortization	4,462	-	4,462	1,644	-	1,644

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

For the year ended 2025 and 2024, additional information about the number of employees and employee benefits are as follows:

	<u>2025</u>	<u>2024</u>
Average number of employees	<u>547</u>	<u>509</u>
Number of directors, not in concurrent employment	<u>7</u>	<u>7</u>
Average employee benefits	<u>\$ 825</u>	<u>896</u>
Average salaries	<u>\$ 691</u>	<u>768</u>
Average salaries adjustments	<u>(10.03)%</u>	<u>19.44 %</u>

The remuneration to the Company's employees and managers is mainly based on individual performance in addition to consideration to the human resources market, the salaries for those in similar industries, and the Company's salary and welfare policies. Directors' remuneration is mainly based on the value of individual's participation and contributions in the Company's operations.

Furthermore, the Company has established a remuneration committee to determine and regularly review the Company's directors and managers' annual and long term performance goals and remuneration policies, systems, standards and structures, as well as regularly evaluate the Company's directors and managers' performances. The salary and remuneration are set to ensure that the Company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.

All matters concerning the remuneration to directors and managers must be reported to the remuneration committee first, and then submitted to the board of directors for resolution before implementation.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Esteem King	(2)	1,900,823	33,205	31,430	-	-	1.65 %	1,900,823	Yes	No	No

Note 1: Relationship with guarantor:

1. Ordinary business relationship.
2. The Company directly or indirectly owned more than 50% of the subsidiary shares.
3. The counter-party directly or indirectly owned more than 50% of the Company's shares.
4. The Company directly or indirectly owned 90% or more than 90% of subsidiaries' shares.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The amount of the guarantee provided by the Company to any individual entity shall not exceed 10% of the Company's net worth. The subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company shall not exceed the Company's net worth.

Note 3: The total amount of endorsements/guarantees may not exceed the Company's net worth.

Note 4: If highest balance of financing to other parties during the period was foreign currencies which were translated to New Taiwan Dollars by the highest exchange rate for current year. If ending balance and actual usage amount during the period were foreign currencies which were translated to New Taiwan Dollars by the exchange rate at the reporting date.

(iii) Material securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Min Aik Technology (M) Sdn. Bhd. (MAM)	The entity with significant influence over the Group	(Sale)	(280,234)	(18%)	Note 1	-	-	104,831	25%	
The Company	Min Aik Technology Co., Ltd. (MAT)	The entity with significant influence over the Group	(Sale)	(241,408)	(16%)	Note 2	-	-	87,566	21%	

Note 1 : The payment term is O/A 105 days, any further adjustment on the term will have to be agreed by both parties.

Note 2 : The payment term is O/A 90~120 days, any further adjustment on the term will have to be agreed by both parties.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note)	Loss allowance
					Amount	Action taken		
The company	MAM	The entity with significant influence over the Group	104,831	2.93	-	-	45,611 (Note)	-

Note : Until February 25, 2026.

(Continued)

MIN AIK PRECISION INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(b) Information on investees:

The following is the information on investees for the year 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of the investee Carrying value	Investment income (losses)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Esteem King	Samoa	Investment holding	451,586	451,586	15,079	100 %	864,570	42,394	42,394	
Esteem King	MATC	Malaysia	Manufacture and selling hard disk components	127,726	127,726	4,427	20 %	4,511	49,198	4,221	
Esteem King	MAPP	Singapore	Manufacture and selling medical injection and molding	323,449	323,449	10,714	100 %	855,009	38,406	38,406	

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings as of December 31, 2025
					Outflow	Inflow						
Amould (Suzhou)	Design and manufacture automatic machines	213,774	Note 1	141,923	-	-	141,923	(5,940)	100%	(5,940)	282,919	69,609

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
141,923	210,772	1,140,494

Note 1: The Company invests subsidiaries which is via MAPP.

Note 2: The Company recognized investment income (losses) by subsidiaries' financial statements which was audited by the Certified Public Accountant who audited the Company's financial statements.

(iii) Significant transactions with the subsidiary in Mainland China

The significant inter-company transactions with the subsidiary in Mainland China are disclosed in "Information on significant transactions".

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2025.

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Statement of cash and cash equivalents****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Foreign amount</u>	<u>Exchange rate</u>	<u>Amount</u>
Cash on hand and petty cash			\$ 165
Cash in banks:			
Check deposits			193
Demand deposits			153,017
Foreign currency deposits:			
USD	\$ 889 thousand	31.43	27,940
SGD	2 thousand	24.45	42
			<u>\$ 181,357</u>

Statement of accounts receivable**December 31, 2025**

<u>Customer Name</u>	<u>Description</u>	<u>Amount</u>
Accounts receivable from non-related parties		
Corporation TA(P)	Operating revenues	\$ 100,349
Corporation SE(T)	"	49,034
Corporation KS	"	37,567
Corporation SE	"	18,879
Corporation SP	"	10,599
Others (less than 5% for each customer)	"	<u>13,310</u>
Subtotal		229,738
Less: Loss allowance		<u>(39,172)</u>
Total		<u>\$ 190,566</u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Statement of inventories****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>	
	<u>Cost</u>	<u>Net realizable value</u>
Finished goods	\$ 229,269	263,414
Work in process	47,895	48,689
Raw materials	69,486	66,975
Subtotal	346,650	<u>379,078</u>
Less: Allowance for inventory valuation and obsolescence	(51,741)	
Net inventory	<u>\$ 294,909</u>	

Statement of other current assets**December 31, 2025**

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other receivables-other	Receivables from sales of scrap	\$ 12,963
Prepaid expenses	Prepaid insurance and natural gas fee	12,071
Income tax refund receivable	Refundable business tax	7,257
Others (less than 5% for each customer)		<u>3,456</u>
Total		<u>\$ 35,747</u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of changes in property, plant and equipment

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(e) to this parent company only financial statement for details.

Statement of changes in right-of-use assets

For the year ended December 31, 2025

Please refer to note 6(f) to this parent company only financial statement for details.

Statement of other non-current assets

December 31, 2025

<u>Item</u>	<u>Amount</u>
Prepaid pension cost	\$ 38,323
Deferred tax assets	15,643
Others (less than 5% for each item)	<u>2,002</u>
	<u><u>\$ 55,968</u></u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Investee Name</u>	<u>Beginning balance</u>		<u>Addition</u>		<u>Decrease</u>		<u>Other adjustments</u>		<u>Ending balance</u>			<u>Market value or net asset value</u>	<u>Guarantee or pledged</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>% of Ownership</u>	<u>Amount</u>		
Valued with equity method:													
Esteem King Limited	15,079	\$ <u>911,341</u>	-	<u>-</u>	-	<u>-</u>	-	<u>(46,771)</u> (note 1)	15,079	100.00 %	<u>864,570</u>	<u>864,570</u>	None

Note 1: Including gain on investments accounted for using equity method amounting to \$42,394 thousand, distribute cash dividend amounting to \$(91,626) thousand and exchange difference on translation of foreign financial statements amounting to \$2,461 thousand.

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Loan commitment</u>	<u>Guarantee or pledged</u>
Taishin Bank	Unsecured bank loans	\$ 80,000	Within one year	1.96%	100,000	None
Yuanta Bank	"	150,000	"	1.96%	150,000	"
Fubon Bank	"	80,000	"	2.06%	200,000	"
CTBC Bank	"	<u>60,000</u>	"	1.94%	100,000	"
		<u><u>\$ 370,000</u></u>				

Statement of accounts payable

December 31, 2025

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Company SYC	Generated from operation	\$ 48,792
Company YYH	"	25,243
Company SC	"	22,677
Company YSG	"	14,843
Company CH	"	11,956
Others (less than 5% for each item)	"	<u>57,655</u>
Total		<u><u>\$ 181,166</u></u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of long-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Loan commitment</u>	<u>Amount</u>		<u>Contract period</u>	<u>Interest rate</u>	<u>Guarantee or pledged</u>
		<u>Within one year</u>	<u>More than one year</u>			
Cathay United Bank	\$ 62,000	\$ 62,000	-	2018.4.16~2027.4.16	2.30%	Land and buildings
Hua Nan Commercial Bank	<u>100,000</u>	<u>100,000</u>	-	2024.1.22~2026.3.20	2.01%	None
	<u>\$ 162,000</u>	<u>\$ 162,000</u>	<u>-</u>			

Statement of other current liabilities

December 31, 2025

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other accrued expenses	Payables to service, fuel and daily expenditures	\$ 28,871
Mold payables	Material for mold and processing expenses	16,090
Employment payables	Social security expenses and pension cost	13,743
Equipment payables	Acquisition of equipment	10,551
Export payables	Export fee for sales	8,362
Supplies payable	Expenses for manufacturing supplies	6,843
Others (less than 5% for each item)		<u>10,990</u>
Total		<u>\$ 95,450</u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.**Statement of operating revenue****For the year ended December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>
Hard disk drive VCM Plate	85,900 thousand PCS	\$ 660,891
Electronic stamping components	13,116 thousand PCS	620,752
Hard disk drive stamping components	35,763 thousand PCS	225,573
Others	31 thousand PCS	<u>27,692</u>
Total		<u><u>\$ 1,534,908</u></u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of operating costs

For the year ended December 31, 2025

(In thousands of New Taiwan Dollars)

Item	Amount
Merchandising:	
Merchandise, beginning of year	\$ 71
Add: Purchases	9
Less: Merchandise, end of year	<u>-</u>
Cost of goods sold	<u>80</u>
Manufacturing:	
Raw materials used:	
Raw materials, beginning of year	65,319
Add: Purchases	786,246
Less: Raw materials, end of year	69,486
Transferred	<u>14,433</u>
Subtotal	767,646
Direct labor	242,499
Manufacturing expenses	<u>380,629</u>
Manufacturing cost	1,390,774
Add: Work in process, beginning of year	58,415
Less: Work in process, end of year	47,895
Transferred	<u>2,270</u>
Cost of finished goods	1,399,024
Add: Finished goods, beginning of year	251,898
Less: Finished goods, end of year	229,269
Transferred	<u>23,195</u>
Cost of goods sold	<u>1,398,458</u>
Add: Unallocated fixed overheads due to idle capacity	42,295
Cost of raw materials and work in process sold	3,902
Loss on inventory impairment and obsolescence	15,138
Loss on inventory count	3,774
Less: Revenue from sales of scraps	<u>124,219</u>
Operating costs	<u><u>\$ 1,339,428</u></u>

MIN AIK PRECISION INDUSTRIAL CO., LTD.

Statement of operating expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Selling expenses</u>	<u>Administrative expenses</u>	<u>Research and development expenses</u>
Salary expenses	\$ 7,008	61,954	11,329
Export expenses	34,289	-	-
Service expenses	46	7,299	42
Mould expenses	-	-	1,665
Depreciation expenses	-	5,972	978
Others (less than 5% for each item)	<u>3,091</u>	<u>23,113</u>	<u>1,430</u>
Total	<u><u>\$ 44,434</u></u>	<u><u>98,338</u></u>	<u><u>15,444</u></u>