

AUROTEK CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024

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

REPRESENTATION LETTER

For the year ended December 31, 2025 (from January 1 to December 31, 2025), the scope of entities included in the preparation of the consolidated financial statements of affiliated enterprises, as required by the “Regulations Governing the Preparation of the Consolidated Business Report, Consolidated Financial Statements, and Affiliation Report of Affiliated Enterprises,” is the same as that required under IFRS 10 “Consolidated Financial Statements” as endorsed by the Financial Supervisory Commission. As all required disclosures of affiliated enterprises have been included in the aforementioned consolidated financial statements prepared in accordance with IFRS 10, the Company does not prepare a separate set of consolidated financial statements for affiliated enterprises.

Very truly yours,

Company name: AUROTEK CORPORATION

Chairman: Cheng, Tien-Chong

March 10, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of AUROTEK CORPORATION

Opinion

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

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

Basis for the opinion

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

Key audit matters

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

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

The appropriateness of accounting estimates for inventory valuation

Description

The accounting policy for inventory valuation is detailed in Note 4(14) of the financial statements. The accounting estimates and assumptions related to inventory valuation uncertainties are disclosed in Note 5, while the description of inventory accounting items is provided in Note 6(5).

The Group is primarily engaged in the manufacturing, processing, and trading of various automation equipment, machinery systems, and components. Due to rapid technological advancements, the Group is exposed to a higher risk of inventory obsolescence and impairment losses. Given the significant inventory balance and the inherent subjectivity involved in its valuation, the estimation of the provision for inventory valuation losses was identified as a key audit matter for the current year.

How our audit addressed the matter

We performed the following procedures for the above key audit matter:

1. Evaluated the consistency of inventory impairment recognition during the financial reporting period and assessed the reasonableness of the applied model and policies.
2. Performed individual testing of obsolete or damaged inventory items with impairment losses and assessed the reasonableness of the net realizable value allocation.
3. Conducted sample testing to verify that the net realizable value of specific inventory items was consistent with the Group's established policies and validated the reasonableness of transaction records.
4. Verified the accuracy of net realizable values, conducted sample testing of the recorded inventory impairment losses, reviewed supporting documentation, and assessed the adequacy of the provision for inventory valuation losses.

Other matter –Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of AUROTEK CORPORATION as at and for the years ended December 31, 2025 and 2024.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.

Song-Tse Wang Shu-Fen Yu

for and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Asset	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current asset						
1100	Cash and cash equivalents	6(1)	\$ 401,029	15	\$ 556,660	25
1110	Financial assets measured at fair value through profit or loss - current	6(2) and 12	-	-	305	-
1136	Financial assets at amortized cost - current	6(1)(3), 8 and 12	775	-	18,687	1
1150	Notes receivable, net	6(4)	9,563	-	12,970	1
1170	Accounts receivable, net	6(4)	864,479	33	596,463	27
1200	Other receivables		3,157	-	3,713	-
130X	Inventories	6(5)	599,415	23	399,966	18
1410	Prepayments		11,578	-	16,155	1
11XX	Total current assets		<u>1,889,996</u>	<u>71</u>	<u>1,604,919</u>	<u>73</u>
Non-current assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(6) and 12	216,816	8	119,060	6
1550	Investments under the equity method	6(7)	71,849	3	69,272	3
1600	Property, plant and equipment	6(8) and 8	253,561	10	238,763	11
1755	Right-of-use asset	6(9)	79,661	3	23,629	1
1760	Investment property, net	6(10) and 8	82,954	3	84,009	4
1840	Deferred income tax assets	6(26)	15,375	1	17,137	1
1930	Long-term notes and accounts receivable	6(4)	530	-	-	-
1990	Other non-current assets		36,293	1	31,363	1
15XX	Total non-current assets		<u>757,039</u>	<u>29</u>	<u>583,233</u>	<u>27</u>
1XXX	Total assets		<u>\$ 2,647,035</u>	<u>100</u>	<u>\$ 2,188,152</u>	<u>100</u>

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ 280,000	11	\$ 115,000	5
2130	Contract liabilities - current	6(20)	8,379	-	12,050	1
2170	Accounts payable		408,582	15	277,125	13
2180	Accounts payable - related parties	7	20,954	1	29,227	1
2200	Other payables	6(12)	144,982	5	123,260	6
2230	Current income tax liabilities		39,624	2	39,437	2
2250	Provisions - current	6(13)	10,407	-	7,789	-
2280	Lease liabilities - current		24,497	1	9,472	-
2399	Other current liabilities -other		3,090	-	2,421	-
21XX	Total current liabilities		<u>940,515</u>	<u>35</u>	<u>615,781</u>	<u>28</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(26)	41,266	2	42,837	2
2580	Lease liabilities - non-current		53,211	2	13,070	1
2600	Other non-current liabilities		5,826	-	5,649	-
25XX	Total non-current liabilities		<u>100,303</u>	<u>4</u>	<u>61,556</u>	<u>3</u>
2XXX	Total liabilities		<u>1,040,818</u>	<u>39</u>	<u>677,337</u>	<u>31</u>
Equity attributable to owners of the parent						
Share capital						
3110	Common stock capital	6(16)	827,897	31	827,897	38
Capital surplus						
3200	Capital surplus	6(17)	102,803	3	93,753	4
Retained earnings						
3310	Legal reserve	6(18)	210,213	8	192,768	9
3320	Special reserve		1,941	-	1,941	-
3350	Unappropriated retained earnings		356,330	14	327,458	15
Other equity						
3400	Other equity	6(19)	107,033	5	66,998	3
31XX	Total equity attributable to owners of the parent		<u>1,606,217</u>	<u>61</u>	<u>1,510,815</u>	<u>69</u>
3XXX	Total equity		<u>1,606,217</u>	<u>61</u>	<u>1,510,815</u>	<u>69</u>
Significant contingent liabilities and unrecognized contractual commitments						
Significant events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 2,647,035</u>	<u>100</u>	<u>\$ 2,188,152</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	6(20)	\$ 2,496,408	100	\$ 1,662,946	100
5000 Operating cost	6(5)(14)(25) and 7	(1,875,140)	(75)	(1,183,444)	(71)
5900 Gross operating profit		621,268	25	479,502	29
Operating expenses	6(14)(25) and 7				
6100 Selling expenses		(208,569)	(8)	(191,400)	(12)
6200 General and administrative expenses		(173,064)	(7)	(131,535)	(8)
6300 Research and development expenses		(45,806)	(2)	(41,197)	(2)
6450 Expected credit impairment gain	12	(4,927)	-	324	-
6000 Total operating expenses		(432,366)	(17)	(363,808)	(22)
6900 Operating profit		188,902	8	115,694	7
Non-operating income and expenses					
7100 Interest revenue	6(3)(21)	7,969	-	19,314	1
7010 Other income	6(22) and 7	27,974	1	39,533	3
7020 Other gains and losses	6(2)(9)(23)	(13,164)	-	28,359	2
7050 Financial costs	6(9)(11)(24)	(4,835)	-	(1,769)	-
7060 Share of profit of affiliated companies and joint ventures under the equity method	6(7)	6,754	-	9,023	-
7000 Total non-operating income and expenses		24,698	1	94,460	6
7900 Profit before income tax		213,600	9	210,154	13
7950 Income tax expense	6(26)	(41,531)	(2)	(35,366)	(2)
8200 Net income for the year		\$ 172,069	7	\$ 174,788	11

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English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2025		2024		
		Amount	%	Amount	%	
Other comprehensive income (loss)						
Items not reclassified into profit or loss						
8311	Remeasurement of defined benefit plans	6(14)	(\$ 1,959)	-	(\$ 534)	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(6)(19) and 12	39,308	1	(108,038)	(6)
8349	Income tax related to items not subject to reclassification	6(26)	392	-	107	-
8310	Total of items not reclassified to profit or loss		37,741	1	(108,465)	(6)
Items that may be reclassified subsequently to profit or loss						
8361	Financial statements translation differences of foreign operations	6(19)	864	-	5,366	-
8370	Share of other comprehensive income of affiliates and joint ventures under the equity method –items that may be reclassified to profit or loss	6(7)(19)	46	-	1,207	-
8399	Income tax related to items that may be reclassified	6(19)(26)	(183)	-	(1,295)	-
8360	Total of items that may be reclassified subsequently to profit or loss		727	-	5,278	-
8300	Other comprehensive income (loss) for the year		\$ 38,468	1	(\$ 103,187)	(6)
8500	Total comprehensive income for the year		\$ 210,537	8	\$ 71,601	5
Net profit attributable to:						
8610	Owners of the parent company		\$ 172,069	7	\$ 174,876	11
8620	Non-controlling interest		-	-	(88)	-
			\$ 172,069	7	\$ 174,788	11
Total comprehensive income attributable to:						
8710	Owners of the parent company		\$ 210,537	8	\$ 71,689	5
8720	Non-controlling interest		-	-	(88)	-
			\$ 210,537	8	\$ 71,601	5
Earnings per share (in dollars)						
9750	Basic earnings per share	6(27)	\$ 2.08	\$ 2.11		
9850	Diluted earnings per share		\$ 2.06	\$ 2.11		

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 and 2024
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Notes	Capital surplus				Retained earnings			Other equity					
		Share capital-common stock	Issuance premium	Changes in net equity of affiliated companies and joint ventures under equity method	Capital surplus - employee stock options	Others	Legal reserve	Special reserves	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total		
2024														
Balance at January 1, 2024	\$ 827,897	\$ 87,946	\$ 3,309	\$ -	\$ 1,600	\$ 184,451	\$ 2,713	\$ 243,435	(\$ 15,309)	\$ 185,254	\$ 1,521,296	\$ 5,547	\$ 1,526,843	
Net income for the year	-	-	-	-	-	-	-	174,876	-	-	174,876	(88)	174,788	
Other comprehensive income in the current year	-	-	-	-	-	-	-	(427)	5,278	(108,038)	(103,187)	-	(103,187)	
Total comprehensive income for the year	-	-	-	-	-	-	-	174,449	5,278	(108,038)	71,689	(88)	71,601	
Earnings appropriation and distribution for 2023	6(18)													
Appropriation of legal reserve	-	-	-	-	-	8,317	-	(8,317)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	(82,790)	-	-	(82,790)	-	(82,790)	
Share-based payment expense	-	-	-	898	-	-	-	-	-	-	898	-	898	
Disposal of subsidiary	6(19)	-	-	-	-	-	(241)	241	2,204	-	2,204	-	2,204	
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	(531)	531	(2,391)	-	(2,391)	-	(2,391)	
Difference between the acquisition cost of subsidiary shares and their carrying amount	6(28)	-	-	-	-	-	-	(91)	-	-	(91)	-	(91)	
Decrease in Non-controlling Interests	6(28)	-	-	-	-	-	-	-	-	-	-	(5,459)	(5,459)	
Balance at December 31, 2024	\$ 827,897	\$ 87,946	\$ 3,309	\$ 898	\$ 1,600	\$ 192,768	\$ 1,941	\$ 327,458	(\$ 10,218)	\$ 77,216	\$ 1,510,815	\$ -	\$ 1,510,815	
2025														
Balance at January 1, 2025	\$ 827,897	\$ 87,946	\$ 3,309	\$ 898	\$ 1,600	\$ 192,768	\$ 1,941	\$ 327,458	(\$ 10,218)	\$ 77,216	\$ 1,510,815	\$ -	\$ 1,510,815	
Net income for the year	-	-	-	-	-	-	-	172,069	-	-	172,069	-	172,069	
Other comprehensive income in the current year	-	-	-	-	-	-	-	(1,567)	727	39,308	38,468	-	38,468	
Total comprehensive income for the year	-	-	-	-	-	-	-	170,502	727	39,308	210,537	-	210,537	
Earnings appropriation and distribution for 2024	6(18)													
Appropriation of legal reserve	-	-	-	-	-	17,445	-	(17,445)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	(124,185)	-	-	(124,185)	-	(124,185)	
Share-based payment expense	6(15)	-	-	9,050	-	-	-	-	-	-	9,050	-	9,050	
Balance at December 31, 2025	\$ 827,897	\$ 87,946	\$ 3,309	\$ 9,948	\$ 1,600	\$ 210,213	\$ 1,941	\$ 356,330	(\$ 9,491)	\$ 116,524	\$ 1,606,217	\$ -	\$ 1,606,217	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2025	2024
<u>Cash flow from operating activities</u>			
Net income before tax for the current year		\$ 213,600	\$ 210,154
Adjusted items			
Income and expenses			
Depreciation expense	6(8)(9)(10)(25)	35,460	21,925
Amortization expense	6(25)	292	24
Expected credit loss (reversal gain)	12	4,927 (	324)
Interest expense	6(24)	4,835	1,769
Share-based payments	6(15)	9,050	898
Net gain on financial assets at fair value through profit or loss	6(2)(23)	(19 ) (	131)
Losses from disposal of property, plant and equipment	6(23)	567	292
Gain on lease modification	6(9)(23)	(113 ) (	55)
Interest revenue	6(21)	(7,969 ) (	19,314)
Dividend income	6(22)	(6,977 ) (	15,400)
Share of profit of affiliates companies under the equity method	6(7)	(6,754 ) (	9,023)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		3,285	9,761
Accounts receivable		(272,754 ) (	351,496)
Other receivables		556 (	528)
Inventories		(199,639 ) (	49,622)
Prepayments		4,577 (	8,019)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		(4,332)	507
Notes payable		-	(1,633)
Accounts payable		123,617	173,771
Other payables		21,722	49,236
Provisions - current		2,618	884
Other current liabilities		1,330 (	249)
Other non-current liabilities		(2,142 ) (	409)
Cash (outflow) inflow generated from operations		(74,263)	13,018
Interest received		7,969	19,314
Dividends received		11,200	18,613
Interest paid		(4,826 ) (	1,769)
Income tax paid		(40,701) (17,862)
Net cash (outflow) inflow from operating activities		(100,621)	31,314

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English Translation of Consolidated Financial Statements Originally Issued in Chinese
AUROTEK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<u>Cash flow from investing activities</u>			
Decrease in financial assets at amortized cost		\$ 17,912	\$ 84,928
Proceeds from the disposal of financial asset at fair value through profit or loss		324	-
Acquisition of financial assets at fair value through other comprehensive income	12	(55,208)	-
Proceeds from the disposal of investments accounted for using the equity method	6(7)	-	2,665
Acquisition of property, plant and equipment	6(8)	(28,855)	(12,945)
Proceeds from the disposal of property, plant and equipment		460	2,003
Acquisition of intangible assets		-	(875)
Refundable deposits (listed as other non-current assets) (increase) decrease		(3,323)	1,003
(Increase)Decrease in other non-current assets		(2,427)	260
Net cash (outflow) inflow from investing activities		(71,117)	77,039
<u>Cash flow from financing activities</u>			
Increase of short-term borrowings	6(29)	165,000	95,000
Distribution of cash dividends	6(18)	(124,185)	(82,790)
Lease principal repayment	6(29)	(20,637)	(11,583)
Increase in guarantee deposits received	6(29)	(970)	208
Changes in non-controlling interests	6(28)	-	(5,550)
Net cash inflow (outflow) from financing activities		19,208	(4,715)
Exchange rate effect		(3,101)	3,301
(Decrease) Increase in cash and cash equivalents in the current period		(155,631)	106,939
Opening balance of cash and cash equivalents		556,660	449,721
Closing balance of cash and cash equivalents		\$ 401,029	\$ 556,660

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

AUROTEK CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

I. HISTORY AND ORGANISATION

AUROTEK CORPORATION (the "Company") was incorporated in the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the Group) are mainly engaged in the manufacturing, processing, trading of various automation equipment and system components, the manufacturing, processing, trading of various electronic product process equipment and industrial controllers, as well as automatic smoke extraction system engineering, building structure vibration isolation system engineering, and distribution, quotation and procurement of related products from domestic and foreign manufacturers. The Company's shares have been traded at the Taipei Exchange since December 2002, and on the Taiwan Stock Exchange since December 31, 2007.

II. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 10, 2026.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

New, Amended and Revised Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

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

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

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

New, Amended and Revised Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 Insurance Contracts “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS Accounting Standards “Annual Improvements—Volume 11”	January 1, 2026

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

(III) Impacts of IFRSs issued by the International Accounting Standards Board but not yet endorsed by the FSC

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

New, Amended and Revised Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be decided by IASB
IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027(Note)
IFRS 19 “Subsidiaries Without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: In a press release dated September 25, 2025, the FSC announced that public companies will be required to adopt International Financial Reporting Standard 18 (“IFRS 18”) starting from fiscal year 2028. In addition, if an enterprise has a need to early adopt IFRS 18, it may elect to do so after IFRS 18 has been endorsed by the FSC.

Except for the following, the Group has assessed that the above standards and interpretations do not have a significant impact on its financial position and financial performance:

IFRS 18 “Presentation and Disclosure of Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements,” supersedes IAS1, revises the structure of the statement of comprehensive income, introduces disclosures relating to management-defined performance measures, and enhances the principles of aggregation and disaggregation applicable to the primary financial statements and the notes thereto.

IV. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

(I) Statement of Compliance

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

(II) Basis of Preparation

1. Except for the following items, the consolidated financial statements have been prepared using the historical cost convention:
 - (1) Financial assets and financial liabilities measured at fair value through profit or loss (including derivatives).
 - (2) Financial assets measured at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized as the net amount of pension fund assets, net of the present value of defined benefit obligations.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis for Consolidation

1. Basis for preparation of consolidated financial statements:

- (1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (2) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the

owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. Subsidiaries included in the consolidated financial statements:

Name of investee	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31,2025	December 31,2024	
AUROTEK CORPORATION	TAIWAN OILES INDUSTRY CO., LTD. (hereinafter referred to as "Taiwan Oiles")	Manufacturing and trading of self-lubricating bearings and parts	-	-	Note
AUROTEK CORPORATION	Aurotek (Shanghai) Inc. (hereinafter referred to as "Aurotek Shanghai")	International trade, processing and assembly machinery, electronic board divider	100	100	
AUROTEK CORPORATION	Kunshan Yichun Industrial Technology Co., Ltd. (Kunshan Yichun)	Production and sale of various electronic equipment and high-end construction hardware and other related parts	100	100	

Note: On May 10, 2024, the Group acquired an additional 10% of the issued shares of TAIWAN OILES INDUSTRY CO., LTD. For details, please refer to Note 6(28). Additionally, TAIWAN OILES INDUSTRY CO., LTD. was resolved for liquidation by the Board of Directors on September 30, 2024. The liquidation process was completed upon approval by the court on December 29, 2025.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.

6. Subsidiaries that have non-controlling interests that are material to the Group: None.

(IV) Foreign Currencies Translation

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company’s functional and the Group’s presentation currency.

1. Foreign currency transactions and balances

- (1) Transactions denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the transaction date or the measurement date, and any resulting translation differences are recognized in profit or loss for the period.
- (2) The balance of monetary assets and liabilities denominated in foreign currencies is remeasured at the spot exchange rate on the balance sheet date, and any resulting translation differences are recognized in profit or loss for the period.
- (3) The balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss (FVTPL) is remeasured at the spot exchange rate on the balance sheet date, and any resulting exchange differences are recognized in other comprehensive income. If not measured at fair value, the item is measured at the historical exchange rate at the transaction date.
- (4) All foreign exchange gains and losses are recognized under "Other Gains and Losses" in the income statement.

2. Translation of foreign operations

- (1) The operating results and financial position of all entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet are translated at the closing exchange rate at the balance sheet date;
 - B. Income and expenses for each statement of comprehensive income are translated at the average exchange rates for the period;
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation that is partially disposed of or sold is an associate, exchange differences recognized in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even if the Group still retains a partial interest in the former foreign associate or loses joint control of the associate, such transactions should be accounted for as a disposal of the entire interest in the foreign operation.
- (3) When the foreign operation that is partially disposed of or sold is a subsidiary, accumulated exchange differences recognized in other comprehensive income are proportionately transferred to the non-controlling interest within the foreign operation. In addition, even if the Group still retains a partial interest in or loses control of the former foreign subsidiary, such transactions should be accounted for as a disposal of the entire interest in the foreign operation.

(V) Classification of Current and Noncurrent Assets and Liabilities

1. Assets that meet one of the following conditions are classified as current assets; otherwise they are classified as non-current assets:
 - (1) Assets arising from operating activities that are expected to be realized, or intended to be sold or consumed within the normal operating cycle;
 - (2) Assets held primary for trading;
 - (3) Assets that are expected to be realized within 12 months after the balance sheet date;
 - (4) Cash or cash equivalents, excluding restricted cash and cash equivalents, as well as those that are to be exchanged or used for settling liabilities at least 12 months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle;
 - (2) Liabilities arising primary for trading;
 - (3) Liabilities that are expected to be settled within 12 months after the balance sheet date;
 - (4) Does not have the right to defer the settlement of the liability for at least 12 months after the reporting period.

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

(VI) Cash Equivalents

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

(VII) Financial Assets Measured at Fair Value through Profit or Loss

1. Financial assets measured at fair value through profit or loss are financial assets that do not qualify for measurement at amortized cost or fair value through other comprehensive income.
2. Under the regular way purchase or sale method, financial assets measured at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. At initial recognition, the Group measures financial assets at fair value and recognizes the transaction costs in profit or loss. Subsequently, these financial assets are remeasured at fair value, with any resulting gains or losses recognized in profit or loss.
4. The Group recognized the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(VIII) Financial Assets Measured at Fair Value through Other Comprehensive Income

1. Financial assets measured at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income; or debt instruments that meet both of the following conditions:
 - (1) The financial asset is held within a business model whose objective is to both collect contractual cash flows and sell financial assets;
 - (2) The contractual terms of the financial asset give rise to cash flows on specified dates that

are solely payments of principal and interest on the principal amount outstanding.

2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income that meet the criteria of regular way purchases or sales.
3. At initial recognition, the Group measures these financial assets at fair value plus transaction costs. Subsequently, they are measured at fair value:
Changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(IX) Financial Assets at Amortized Cost

1. Financial assets at amortized cost are those that meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved by collecting contractual cash flows;
 - (2) The assets' contractual cash flows represent solely payments of principal and interest.
2. The Group adopts trade date accounting for financial assets measured at amortized cost that meet the criteria of regular way purchases or sales.
3. At initial recognition, the Group measures these financial assets at fair value plus transaction costs. Subsequently, interest income is recognized over the life of the asset using the effective interest method, impairment losses are recognized as necessary, and any gain or loss on derecognition is recognized in profit or loss.
4. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(X) Accounts and Notes Receivable

1. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
3. The Group's business model for accounts receivable held for sale is to collect contractual cash flows and sell them. They are measured at fair value, with changes recognized in other comprehensive income.

(XI) Impairment of Financial Assets

At each reporting date, the Group assesses impairment for financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost, including debt instruments and accounts receivable with a significant financing component. Based on all reasonable and verifiable information, if the credit risk has not significantly increased since initial recognition, the Group recognizes a provision for 12 months expected credit losses (ECLs). If the credit risk has significantly increased, a provision for lifetime ECLs is recognized. For accounts receivable or contract assets without a significant financing component, the Group measures impairment using lifetime ECLs.

(XII) Derecognition of Financial Assets

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

(XIII) Lessor's Lease Transactions

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

(XIV) Inventories

Inventories are stated at the lower of cost and net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs, and related production overheads (allocated based on normal operating capacity). Borrowing costs are excluded. The item-by-item approach is applied when determining the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XV) Investments Under the Equity Method - Subsidiaries and Associates

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence if an investor holds, directly or indirectly, 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of the change in equity of the associate in 'capital surplus' in proportion to its ownership.
4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Group.
5. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

6. At the balance sheet date, the Group assesses whether there is any indication of impairment in its investments accounted for using the equity method. For investments in associates for which such indication exists, the Group performs an impairment test by comparing the recoverable amount of the investment as a whole (including goodwill), treated as a single asset, with its carrying amount. The recoverable amount is measured as the higher of value in use and fair value less costs of disposal. Any recognized impairment loss forms part of the carrying amount of the investment. Such impairment loss is subsequently reversed to the extent that the recoverable amount of the investment increases.

(XVI) Property, Plant and Equipment

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

Buildings	25 years ~ 50 years
Transportation equipment	5 years
Machinery equipment	3 years ~ 5 years
Office equipment	2 years ~ 5 years
Leasehold improvements	5 years
Other equipment	2 years ~ 15 years

(XVII) Lessee's Lease Transactions - Right-of-use assets/Lease liabilities

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over

the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (1) The amount of the initial measurement of lease liability;
 - (2) Any initial direct costs incurred; and
 - (3) The estimated costs of dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(XVIII) Investment Property

Investment properties are initially recognized at acquisition cost and subsequently measured using the cost model. Except for land, depreciation is provided on a straight-line basis over the estimated useful life of 50 years.

(XIX) Impairment of Non-Financial Assets

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

(XX) Borrowings

1. Borrowings refer to long-term and short-term funds obtained from banks. At initial recognition, borrowings are measured at fair value net of transaction costs. Subsequently, they are carried at amortized cost, and any difference between the net proceeds and the redemption value is amortized using the effective interest method and recognized in profit or loss over the borrowing period.
2. Fees paid when establishing a borrowing facility are recognized as transaction costs if it is highly probable that part or all of the facility will be drawn. These costs are deferred and recognized as an adjustment to the effective interest rate upon drawdown. If it is unlikely that part or all of the facility will be drawn, the fees are recognized as a prepaid expense and amortized over the relevant period of the facility.

(XXI) Accounts Payable and Notes Payable

1. Accounts payable and notes payable represent obligations arising from credit purchases of raw materials, goods, or services, as well as notes payable related to both operating and non-operating activities.
2. Short-term accounts payable and notes payable that do not bear interest are subsequently measured at their original invoice amount, as the impact of discounting is immaterial.

(XXII) Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

(XXIII) Offsetting of Financial Instruments

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

(XXIV) Provisions

Provisions (including warranty liabilities and litigation provisions) are recognized when the Group has a present legal or constructive obligation from past events, an outflow of economic benefits is probable, and the amount can be reliably estimated. Provisions are measured at the best estimate of the settlement amount at the balance sheet date, discounted to present value if the time value of money is material. The discount rate is a pre-tax rate reflecting market assessments of the time value of money and liability-specific risks. The unwinding of the discount is recognized as interest expense. Future operating losses are not recognized as provisions.

(XXV) Employee Benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plan

- A. The net obligation under a defined benefit plan is the present value of pension benefits that employees have earned for their services with the Group in the current and prior periods, discounted to present value. The liability recognized in the balance sheet for the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined based on market yields of high-quality corporate bonds that have the same currency and maturity as the defined benefit obligation at the balance sheet date. If a deep market for high-quality corporate bonds is not available, the market yield of government bonds at the balance sheet date is used instead.
- B. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- C. Past service costs are recognized immediately in profit or loss.

3. Termination benefits

Termination benefits are provided when employment is terminated before the normal retirement date or when an employee accepts the Group's offer of benefits in exchange for termination of

employment. The Group recognizes expenses at the earlier of when it can no longer withdraw the offer of termination benefits or when the related restructuring costs are recognized. Termination benefits that are not expected to be fully settled within 12 months after the balance sheet date shall be discounted.

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

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

(XXVI) Share-based Payment for Employees

Equity-settled share-based payment arrangements are measured at the fair value of the equity instruments granted on the grant date. The cost of employee services received is recognized as compensation expense over the vesting period, with a corresponding increase in equity. The fair value of equity instruments reflects the impact of market-based vesting conditions and non-vesting conditions. The recognized compensation cost is adjusted based on the expected number of awards that will meet service conditions and non-market-based vesting conditions, until the final amount is determined based on the actual number of vested awards at the vesting date.

(XXVII) Income Tax Expense

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date in the country where operations are conducted and taxable income is generated. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance

sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities, and the deferred tax assets and liabilities arise from the same taxable entity under the same tax authority, or from different taxable entities that intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

6. Deferred tax assets arising from unused income tax credits carried forward from the acquisition of equipment, technology, research, and development expenditures are recognized to the extent that it is probable that future taxable profit will be available to utilize the unused tax credits.

(XXVIII) Share Capital

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

(XXIX) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are resolved by the Group's shareholders. Cash dividends are recorded as liabilities, while stock dividends declared are recognized as stock dividends to be distributed and reclassified to ordinary shares on the record date of the new share issuance.

(XXX) Revenue Recognition

1. Sale of goods

- (1) The Group manufactures and sells various automation equipment and system components. Revenue from sales is recognized when control of the product is transferred to the customer, which occurs when the product is delivered to the customer, the customer has full discretion over the use and benefits of the product, and the Group has no remaining performance obligations that could affect the customer's acceptance of the product. Delivery is deemed to have occurred when the product has been shipped to the specified location, the risks of obsolescence and loss have transferred to the customer, and the customer has either accepted the product in accordance with the sales contract or there is objective evidence that all acceptance criteria have been met.
- (2) The Group provides standard warranties for certain sold products and is obligated to repair product defects. A provision is recognized at the time of sale.
- (3) Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contractual consideration at that point, and collection is only subject to the passage of time.

2. Engineering services

- (1) The Group provides installation services for smoke extraction systems and louver-related solutions. Service revenue is recognized over the financial reporting period in which the services are provided to the customer. For fixed-price contracts, revenue is recognized based on the proportion of services performed to date relative to the total services required under the contract as at the balance sheet date. The percentage of completion is determined based on actual costs incurred relative to the estimated total costs. Customers make payments according to the agreed payment schedule. If the services provided exceed the amount billable to the customer, a contract asset is recognized. Conversely, if the amount billable to the customer exceeds the services provided, a contract liability is recognized.
- (2) The Group revises its estimates of revenue, costs, and completion progress as circumstances change. Any increases or decreases in estimated revenue or costs due to changes in estimates are reflected in profit or loss in the period when the changes become known to management.

(XXXI) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company incurs expenses for the related costs that the grants are intended to compensate.

(XXXII) Operation Department

The Group's operating segment information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating segments and assessing their performance.

V. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of the consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has no critical accounting judgments in applying accounting policies; and the critical accounting estimates and assumptions uncertainty information is addressed below:

Critical Accounting Estimates and Assumptions

Inventory Valuation

As inventories are measured at the lower of cost and net realizable value, the Group must exercise judgment and make estimates to determine the net realizable value of inventories as at the balance sheet date. Due to rapid technological advancements, the Group assesses the amount of inventory subject to normal wear and tear, obsolescence, or lack of marketability as at the balance sheet date and writes down inventory costs to net realizable value when necessary. This inventory valuation is primarily based on estimated product demand over a specific future period, which may result in significant changes.

As at December 31, 2025, the carrying amount of the Group's inventories was \$599,415 .

VI. DETAILS OF MATERIAL ACCOUNTS

(I) Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 290	\$ 306
Checking accounts and demand deposit	301,788	321,770
Time deposits	<u>98,951</u>	<u>234,584</u>
	<u>\$ 401,029</u>	<u>\$ 556,660</u>

1. The Group engages with a variety of financial institutions, all with high credit quality, to mitigate credit risk. As a result, it expects that the probability of counterparty default is minimal.
2. As of December 31, 2025 and 2024, the Group's cash and cash equivalents amounted to \$775 at both year-ends and were subject to restrictions due to construction performance guarantees and being pledged as collateral for borrowings. Details of the pledged assets are provided in Note 8.
3. As of December 31, 2025, and 2024, the Group's time deposits that do not qualify as cash equivalents amounted to \$775 and \$18,687, respectively, and were presented as "financial assets at amortized cost".

(II) Financial Assets Measured at Fair Value through Profit or Loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ 1,150
Valuation adjustment	-	(845)
	<u>\$ -</u>	<u>\$ 305</u>

1. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	<u>\$ 19</u>	<u>\$ 131</u>

2. The Group has no financial assets measured at fair value through profit or loss pledged to others.
3. For market risk information related to financial assets measured at fair value through profit or loss, please refer to Note 12(2).

(III) Financial Assets at Amortized Cost

Item	December 31, 2025	December 31, 2024
Current items		
Time deposits with original maturity date of more than 3 months	\$ -	\$ 17,912
Pledged time deposits	775	775
	\$ 775	\$ 18,687

1. The breakdown of financial assets measured at amortized cost recognized in profit or loss is as follows:

	Years Ended December 31	
	2025	2024
Interest income	\$ 249	\$ 4,618

2. Without considering collateral held or other credit enhancements, the maximum exposure to credit risk for the Group's financial assets measured at amortized cost as at December 31, 2025, and 2024, amounted to \$775 and \$18,687, respectively.
3. For details on financial assets measured at amortized cost pledged as collateral, please refer to Note 8.
4. Please refer to Note 12(2) for credit risk information related to financial assets measured at amortized cost. The Group's counterparties for time deposit investments are financial institutions with high credit quality, and the probability of default is expected to be minimal.

(IV) Notes and Accounts Receivable

Notes receivable	December 31, 2025 \$ 9,563	December 31, 2024 \$ 12,970
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Accounts receivable	December 31, 2025 \$ 872,782	December 31, 2024 \$ 602,133
Installment accounts receivable	2,457	-
Less: Unrealized interest income	(96)	-
Less: Loss allowance	(10,664)	(5,670)
	\$ 864,479	\$ 596,463

Long-term receivables	December 31, 2025 532	December 31, 2024 -
Less: Unrealized interest income	(2)	-
	\$ 530	\$ -

1. The aging analysis of notes receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 9,563	\$ 12,970

2. The aging analysis of accounts receivable is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 851,544	\$ 588,358
Past due within 90 days	15,234	9,121
Past due over 91 days	8,895	4,654
	<u>\$ 875,673</u>	<u>\$ 602,133</u>

The above aging analysis was based on past due date.

3. As at December 31, 2025, December 31, 2024, and January 1, 2024 accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2024, the balance of receivables from contracts with customers and the loss allowance amounted to \$270,983 and \$5,819, respectively.
4. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$9,563 and \$12,970, and accounts receivable (including current and non-current portions) were \$865,009 and \$596,463, respectively.
5. The Group does not hold any collateral for its accounts receivable.
6. Information related to credit risk is provided in Note 12(2).

(V) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for inventory valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 120,998	(\$ 9,503)	\$ 111,495
Work in progress	77,804	(5,182)	72,622
Finished goods	83,832	(9,723)	74,109
Merchandise	357,838	(16,649)	341,189
	<u>\$ 640,472</u>	<u>(\$ 41,057)</u>	<u>\$ 599,415</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for inventory valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 84,928	(\$ 15,676)	\$ 69,252
Work in progress	28,749	(4,819)	23,930
Finished goods	55,896	(9,242)	46,654
Merchandise	278,566	(18,467)	260,099
Inventory in transit	31	-	31
	<u>\$ 448,170</u>	<u>(\$ 48,204)</u>	<u>\$ 399,966</u>

The cost of inventories recognized as expense losses for the year:

	Years Ended December 31	
	2025	2024
Cost of goods sold	\$ 1,821,451	\$ 1,135,659
Other operating costs	40,496	46,189
Inventory valuation loss	13,193	1,596
	<u>\$ 1,875,140</u>	<u>\$ 1,183,444</u>

(VI) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2025	December 31, 2024
Non-current items		
Equity instruments		
Unlisted stocks	\$ 114,181	\$ 58,973
Valuation adjustment	102,635	60,087
	<u>\$ 216,816</u>	<u>\$ 119,060</u>

1. The Group has elected to classify investments that are considered to be strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of such investments amounted to \$216,816 and \$119,060 as at December 31, 2025 and 2024, respectively.
2. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets measured at fair value through other comprehensive income are listed below:

	Years Ended December 31	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 39,308	(\$ 108,038)

3. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets measured at fair value through other comprehensive income held by the Group were \$216,816 and \$119,060, respectively.
4. The Group has no financial assets measured at fair value through other comprehensive income pledged to others as collateral.
5. Market risk information related to financial assets measured at fair value through other comprehensive income is provided in Note 12(3).

(VII) Investments Under the Equity Method

1. The details of investments under the equity method are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
KUNSHAN KYOWA UNIVERSAL JOINT CO., LTD.	\$ 36,811	\$ 37,978
3e Yamaichi Electronics Co., Ltd.	35,038	31,294
	<u>\$ 71,849</u>	<u>\$ 69,272</u>

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 69,272	\$ 64,920
Disposal of investments under the equity method	-	(2,665)
Share of profit and loss of investment accounted for using the equity method	6,754	9,023
Distribution of earnings from investment accounted for using the equity method	(4,223)	(3,213)
Other changes in equity	46	1,207
Balance at December 31	<u>\$ 71,849</u>	<u>\$ 69,272</u>

2. Associates

The Group's associates accounted for using the equity method are all considered individually immaterial. The aggregated share of their operating results is summarized as follows:

As at December 31, 2025 and 2024, the total carrying amount of the Group's individually immaterial associates amounted to \$71,849 and \$69,272, respectively.

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Profit from continuing operations	\$ 6,754	\$ 9,023
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the year	<u>\$ 6,754</u>	<u>\$ 9,023</u>

(VIII) Property, Plant and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Balance at January 1, 2025								
Cost	\$ 150,319	\$ 112,079	\$ 14,817	\$ 3,037	\$ 6,560	\$ -	\$ 17,623	\$ 304,435
Accumulated depreciation	-	(45,938)	(4,030)	(2,660)	(5,422)	-	(7,622)	(65,672)
	<u>\$ 150,319</u>	<u>\$ 66,141</u>	<u>\$ 10,787</u>	<u>\$ 377</u>	<u>\$ 1,138</u>	<u>\$ -</u>	<u>\$ 10,001</u>	<u>\$ 238,763</u>
2025								
Balance at January 1	\$ 150,319	\$ 66,141	\$ 10,787	\$ 377	\$ 1,138	\$ -	\$ 10,001	\$ 238,763
Additions	-	1,422	630	2,800	4,247	14,605	5,151	28,855
Disposals	-	-	-	-	(12)	-	(1,015)	(1,027)
Reclassification (Note)	-	-	(26)	-	-	-	277	251
Depreciation charge	-	(2,480)	(4,252)	(456)	(975)	(1,019)	(4,012)	(13,194)
Exchange rate effect	-	-	-	(8)	-	-	(79)	(87)
December 31	<u>\$ 150,319</u>	<u>\$ 65,083</u>	<u>\$ 7,139</u>	<u>\$ 2,713</u>	<u>\$ 4,398</u>	<u>\$ 13,586</u>	<u>\$ 10,323</u>	<u>\$ 253,561</u>
Balance at December 31, 2025								
Cost	\$ 150,319	\$ 113,501	\$ 15,207	\$ 5,849	\$ 10,645	\$ 14,605	\$ 21,071	\$ 331,197
Accumulated depreciation	-	(48,418)	(8,068)	(3,136)	(6,247)	(1,019)	(10,748)	(77,636)
	<u>\$ 150,319</u>	<u>\$ 65,083</u>	<u>\$ 7,139</u>	<u>\$ 2,713</u>	<u>\$ 4,398</u>	<u>\$ 13,586</u>	<u>\$ 10,323</u>	<u>\$ 253,561</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Balance at January 1, 2024								
Cost	\$ 150,319	112,079	\$ 9,548	\$ 2,969	\$ 6,714	\$ 17,369	\$ 1,462	\$ 300,460
Accumulated depreciation	-	(43,641)	(7,341)	(2,275)	(4,469)	(11,548)	-	(69,274)
	<u>\$ 150,319</u>	<u>\$ 68,438</u>	<u>\$ 2,207</u>	<u>\$ 694</u>	<u>\$ 2,245</u>	<u>\$ 5,821</u>	<u>\$ 1,462</u>	<u>\$ 231,186</u>
2024								
Balance at January 1	\$ 150,319	\$ 68,438	\$ 2,207	\$ 694	\$ 2,245	\$ 5,821	\$ 1,462	\$ 231,186
Additions	-	-	8,783	-	204	2,643	1,315	12,945
Disposals	-	-	(1,215)	-	(37)	(1,043)	-	(2,295)
Reclassification (Note)	-	-	3,534	-	-	5,514	(2,803)	6,245
Depreciation charge	-	(2,297)	(2,516)	(331)	(1,276)	(3,037)	-	(9,457)
Exchange rate effect	-	-	(6)	14	2	103	26	139
December 31	<u>\$ 150,319</u>	<u>\$ 66,141</u>	<u>\$ 10,787</u>	<u>\$ 377</u>	<u>\$ 1,138</u>	<u>\$ 10,001</u>	<u>\$ -</u>	<u>\$ 238,763</u>
Balance at December 31, 2024								
Cost	\$ 150,319	\$ 112,079	\$ 14,817	\$ 3,037	\$ 6,560	\$ 17,623	\$ -	\$ 304,435
Accumulated depreciation	-	(45,938)	(4,030)	(2,660)	(5,422)	(7,622)	-	(65,672)
	<u>\$ 150,319</u>	<u>\$ 66,141</u>	<u>\$ 10,787</u>	<u>\$ 377</u>	<u>\$ 1,138</u>	<u>\$ 10,001</u>	<u>\$ -</u>	<u>\$ 238,763</u>

Note: Primarily due to reclassification from inventories.

1. The Company has no interest capitalization.
2. Information on property, plant, and equipment pledged as collateral is provided in Note 8.

(IX) Lessee's Lease Transactions

1. The Group leases various assets, including land use rights, buildings, company vehicles, and multifunctional office equipment. Rental contracts typically have a term of 1 to 5 years. Lease terms are negotiated on an individual basis and contain various terms and conditions, with no additional restrictions imposed.
2. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Right-of-use assets:	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 74,812	\$ 21,966
Transportation equipment	4,544	1,228
Production equipment	<u>305</u>	<u>435</u>
	<u>\$ 79,661</u>	<u>\$ 23,629</u>

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 20,153	\$ 10,809
Machinery equipment	-	36
Transportation equipment	927	481
Production equipment	<u>131</u>	<u>87</u>
	<u>\$ 21,211</u>	<u>\$ 11,413</u>

3. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$78,519 and \$33,000, respectively.
4. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense of lease liabilities	\$ 1,392	\$ 798
Expense for short-term lease contracts	4,089	2,411
Expense for lease of low-value assets	145	29
Gain on lease modification	113	55

5. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$26,263 and \$14,821, respectively.

(X) Investment Property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Balance at January 1, 2025			
Cost	\$ 51,933	\$ 53,782	\$ 105,715
Accumulated depreciation	-	(21,706)	(21,706)
	<u>\$ 51,933</u>	<u>\$ 32,076</u>	<u>\$ 84,009</u>
<u>2024</u>			
Balance at January 1	\$ 51,933	\$ 32,076	\$ 84,009
Depreciation charge	-	(1,055)	(1,055)
Balance at December 31	<u>\$ 51,933</u>	<u>\$ 31,021</u>	<u>\$ 82,954</u>
Balance at December 31, 2025			
Cost	\$ 51,933	\$ 53,782	\$ 105,715
Accumulated depreciation	-	(22,761)	(22,761)
	<u>\$ 51,933</u>	<u>\$ 31,021</u>	<u>\$ 82,954</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Balance at January 1, 2024			
Cost	\$ 51,933	\$ 53,782	\$ 105,715
Accumulated depreciation	-	(20,651)	(20,651)
	<u>\$ 51,933</u>	<u>\$ 33,131</u>	<u>\$ 85,064</u>
<u>2024</u>			
Balance at January 1	\$ 51,933	\$ 33,131	\$ 85,064
Depreciation charge	-	(1,055)	(1,055)
Balance at December 31	<u>\$ 51,933</u>	<u>\$ 32,076</u>	<u>\$ 84,009</u>
Balance at December 31, 2024			
Cost	\$ 51,933	\$ 53,782	\$ 105,715
Accumulated depreciation	-	(21,706)	(21,706)
	<u>\$ 51,933</u>	<u>\$ 32,076</u>	<u>\$ 84,009</u>

1. Rental income and direct operating expenses of investment property:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Rent income from investment property	<u>\$ 5,216</u>	<u>\$ 5,157</u>
Direct operating expenses incurred for investment property that generated rental income during the year	<u>\$ 1,055</u>	<u>\$ 1,055</u>

2. The fair value of the Group's investment property as at December 31, 2025 and 2024 amounted to \$178,282 and \$215,258, respectively. The valuation was primarily based on the government-assessed land value and the market transaction prices of comparable properties in the surrounding areas.

3. The aforementioned investment property comprises two leased properties located on Zhouzi Street, Neihu District. The respective lease periods are ending in July 2026 and March 2029, respectively.

4. Information on investment property pledged as collateral is provided in Note 8.

(XI) Short-term Borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Secured loans	\$ 100,000	1.875%	Property, Plant and Equipment
Unsecured loans	180,000	1.875%~1.92%	
	<u>\$ 280,000</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured loans	<u>\$ 115,000</u>	0.5%~1.875%	None

1. For the years ended December 31, 2025 and 2024, interest expense recognized in profit or loss amounted to \$3,443 and \$971, respectively.

2. The Group has undrawn facilities. Information on undrawn facilities is provided in Note 12.

3. Information on collateral arrangements is provided in Note 8.

(XII) Other Payables

	December 31, 2025	December 31, 2024
Salary and bonus payable	\$ 84,124	\$ 70,420
Employees' and directors' compensation payable	18,531	18,071
Commission payable	110	3,993
Other expenses payable	39,207	27,402
Others	3,010	3,374
	<u>\$ 144,982</u>	<u>\$ 123,260</u>

(XIII) Provisions

	Years Ended December 31	
	2025	2024
Balance at January 1	\$ 7,789	\$ 6,905
Provisions increased in the period	6,610	3,976
Provisions used in the period	(3,992)	(3,092)
Balance at December 31	<u>\$ 10,407</u>	<u>\$ 7,789</u>

The Group's provision for warranty liabilities is primarily related to the sale of self-manufactured products and is estimated based on historical warranty data for these products.

(XIV) Pension

1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	(\$ 33,313)	(\$ 31,174)
Fair value of plan assets	<u>30,679</u>	<u>27,621</u>
Net defined benefit liabilities (shown as "Other non-current liabilities")	<u>(\$ 2,634)</u>	<u>(\$ 3,553)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2025			
Balance at January 1	(\$ 31,174)	\$ 27,621	(\$ 3,553)
Interest (expense) income	(499)	442	(57)
	<u>(31,673)</u>	<u>28,063</u>	<u>(3,610)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,981	1,981
Change in financial assumptions	(553)	-	(553)
Experience adjustments	<u>(3,387)</u>	<u>-</u>	<u>(3,387)</u>
	<u>(3,940)</u>	<u>1,981</u>	<u>(1,959)</u>
Pension fund contribution	-	2,935	2,935
Paid pension	2,300	(2,300)	-
Balance at December 31	<u>(\$ 33,313)</u>	<u>\$ 30,679</u>	<u>(\$ 2,634)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2024			
Balance at January 1	(\$ 29,416)	\$ 25,988	(\$ 3,428)
Interest (expense) income	(353)	312	(41)
	<u>(29,769)</u>	<u>26,300</u>	<u>(3,469)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,275	2,275
Change in financial assumptions	785	-	785
Experience adjustments	(3,594)	-	(3,594)
	<u>(2,809)</u>	<u>2,275</u>	<u>(534)</u>
Pension fund contribution	-	450	450
Paid pension	1,404	(1,404)	-
Balance at December 31	<u>(\$ 31,174)</u>	<u>\$ 27,621</u>	<u>(\$ 3,553)</u>

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

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

	Years Ended December 31	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increases rate	2.25%	2.25%

The assumption regarding future mortality is based on the 6th Taiwan Life Insurance Experience Mortality Table.

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

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	Increase	Decrease	Increase	Decrease
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2025				
Effect on the present value of defined benefit obligation	<u>(\$ 462)</u>	<u>\$ 475</u>	<u>\$ 387</u>	<u>(\$ 379)</u>

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	Increase	Decrease	Increase	Decrease
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2024				
Effect on the present value of defined benefit obligation	<u>(\$ 473)</u>	<u>\$ 486</u>	<u>\$ 405</u>	<u>(\$ 396)</u>

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The method and assumptions used in the sensitivity analysis for the current period are consistent with those used in the prior period.

- (6) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to \$443.
 - (7) As at December 31, 2025, the weighted average duration of the retirement plan is 6 years.
- 2.(1) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in a lump sum upon termination of employment.
 - (2) The subsidiaries of the Group registered in the People's Republic of China (PRC) contribute monthly to the pension schemes in accordance with the regulations of the PRC government at a certain percentage of the total salaries of local employees. The pension benefits are managed and administered by the government. Except for the monthly contributions, the Group has no further obligations.
 - (3) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$11,282 and \$9,591 , respectively.

(XV) Share-based Payment

1. The Group's share-based payment arrangements are as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Number of grants</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee Stock Options Plan	2024.12.09	1,860,000	5 years	Note

Note: The option holders may exercise 40% of the stock options granted after two years from the grant date, 60% cumulatively after three years, and 100% cumulatively after four years.

The Group's share-based payment arrangements are all equity-settled.

2. Details of the above share-based payment arrangement is as follows:

	<u>Years Ended December 31</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Stock options Quantity (shares in thousands)</u>	<u>Weighted average exercise price (in dollars)</u>	<u>Stock options Quantity (shares in thousands)</u>	<u>Weighted average exercise price (in dollars)</u>
Balance of outstanding stock options at January 1	1,845	\$ 57.10	-	\$ -
Stock options granted during the year	-	-	1,860	57.10
Stock options forfeited during the year	(447)	57.10	(15)	57.10
Balance of outstanding stock options at December 31	<u>1,398</u>	<u>57.10</u>	<u>1,845</u>	<u>57.10</u>
Exercisable stock options at December 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. No stock options were exercised during 2025 and 2024.

4. Expiry date and exercise price of outstanding stock options as at the balance sheet date are as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Expiry Date</u>	<u>2025.12.31</u>		<u>2024.12.31</u>	
			<u>Shares (in thousands)</u>	<u>Exercise price (in dollars)</u>	<u>Shares (in thousands)</u>	<u>Exercise price (in dollars)</u>
Employee Stock Option Plan	2024.12.09	2029.12.08	1,398	\$ 57.10	1,845	\$ 57.10

5. The Group used the Black-Scholes option pricing model to estimate the fair value of stock options granted. The relevant information is as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Stock price (in dollars)</u>	<u>Exercise price (in dollars)</u>	<u>Expected volatility (%) (Note)</u>	<u>Expected life (year)</u>	<u>Expected dividend yield(%)</u>	<u>Risk-free interest rate(%)</u>	<u>Fair value per unit (in dollars)</u>
Employee Stock Options Plan	2024.12.09	\$ 57.10	\$ 57.10	46.16%	4	0%	1.46%	\$ 21.34

Note: The expected volatility is estimated based on the standard deviation of stock returns over the most recent period equivalent to the expected life of the stock options, using stock prices within that sample period.

6. The total share-based payment expense recognized by the Company for the year ended December 31, 2025 and 2024, amounted to \$9,050 and \$898, respectively.

(XVI) Share Capital

- As at December 31, 2025, the Company's authorized capital was \$1,500,000, divided into 150,000 thousand shares, including 10,000 thousand shares reserved for employee stock options. The paid-in capital of \$827,897, with a par value of \$10 per share. All issued shares have been fully paid.
- The number of outstanding common shares at the beginning and end of the year was 82,790 thousand shares.

(XVII) Capital Surplus

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

(XVIII) Retained Earnings

- If the Company generates earnings in its annual final accounting, it shall first pay taxes in accordance with the law, offset accumulated deficits, and then allocate 10% of the earnings as a legal reserve. However, if the legal reserve has reached the Company's paid-in capital, no further appropriation shall be made. Any remaining amount shall be allocated or reversed as a special reserve in accordance with applicable laws and regulations. Any balance remaining, together with undistributed earnings from previous years, shall be proposed by the Board of Directors in an earnings distribution plan. Where such distribution is to be made through the issuance of new shares, the plan shall be submitted to the shareholders' meeting for approval. Where such distribution is to be made in cash, the Board of Directors is authorized to approve such distribution by a resolution adopted by a majority of the directors present at a meeting attended by two-thirds or more of all directors, and shall report such distribution to the shareholders' meeting.
- The Company's dividend policy is as follows: To support current and future development plans while considering the investment environment, capital requirements, and shareholders' interests, the Company shall allocate no less than 10% of distributable earnings as dividends to shareholders each year. Dividends may be distributed in cash or shares, with cash dividends

comprising at least 20% of the total dividends.

3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
4. (1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(2) As at December 31, 2025 and 2024, the special reserve amounted to \$1,941 at both year-ends. This is the first time that the Group has adopted IFRSs to recognize that the cumulative translation difference generated by the foreign operation is zero, and to recognize an adjustment and the special reserve in the same amount. When the Company uses, disposes or reclassifies the relevant assets later, the proportion of the original special reserve may be reversed for distribution earnings.
5. The appropriations of 2024 and 2023 earnings had been approved by the shareholders during their meeting on June 4, 2025 and June 18, 2024, respectively. Details are summarized below:

	Years Ended December 31			
	2024		2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 17,445		\$ 8,317	
Cash dividends	124,185	\$ 1.50	82,790	\$ 1.00
	<u>\$ 141,630</u>		<u>\$ 91,107</u>	

- (1) Information on employees' and directors' compensation is provided in Note 6(25).
- (2) Information about the appropriations of earnings of 2024 and 2023 are be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.
6. The appropriations of 2025 earnings had been proposed by the Board of Directors on March 10, 2026. Details are summarized below:

	Year Ended December 31, 2025	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 17,050	
Cash dividends	82,790	\$ 1.00
	<u>\$ 99,840</u>	

- (1) Information on employees' and director' compensation is provided in Note 6(25).
- (2) The aforementioned appropriation of 2025 earnings has not yet been approved by the stockholders.

(XIX) Other Equity Items

	<u>Year Ended December 31, 2025</u>		
	<u>Unrealized valuation gains (losses)</u>	<u>Exchange Differences</u>	<u>Total</u>
Balance at January 1	\$ 77,216	(\$ 10,218)	\$ 66,998
Valuation adjustments	39,308	-	39,308
Currency Translation Differences:			
- Group	-	864	864
- Tax impact on Group	- (	173)	(173)
- Associates	-	46	46
- Tax impact on Associates	- (	10)	(10)
Balance at December 31	<u>\$ 116,524</u>	<u>(\$ 9,491)</u>	<u>\$ 107,033</u>

	<u>Year Ended December 31, 2024</u>		
	<u>Unrealized valuation gains (losses)</u>	<u>Exchange Differences</u>	<u>Total</u>
Balance at January 1	\$ 185,254	(\$ 15,309)	\$ 169,945
Valuation adjustments	(108,038)	-	(108,038)
Currency Translation Differences:			
- Group	-	5,366	5,366
- Tax impact on Group	- (	1,073)	(1,073)
- Associates	-	1,207	1,207
- Tax impact on Associates	- (	222)	(222)
- Impact of Disposal of Equity Method Investments	- (	2,391)	(2,391)
- Impact of Disposal of Subsidiary's Shareholder Equity	-	2,204	2,204
Balance at December 31	<u>\$ 77,216</u>	<u>(\$ 10,218)</u>	<u>\$ 66,998</u>

(XX) Operating Revenue

1. Disaggregation of revenue from contracts with customers

The Group recognizes revenue from the transfer of goods and services, which is disaggregated into the following major product lines and geographic regions:

		Year Ended December 31, 2025									
		Automation components		Automation equipment				Robotics and others			
		Taiwan	Mainland China	Taiwan	Mainland China	Japan	Singapore	Others	Taiwan	Mainland China	Total
Revenue		\$ 911,823	\$ 58,276	\$ 930,829	\$ 185,349	\$ 18,288	\$ 70,580	\$ 181,620	\$ 116,700	\$ 22,943	\$ 2,496,408
Timing of revenue recognition											
At a point in time		\$ 911,823	\$ 58,276	\$ 930,829	\$ 185,349	\$ 18,288	\$ 70,580	\$ 181,620	\$ 116,700	\$ 22,943	\$ 2,496,408

		Year Ended December 31, 2024									
		Automation components		Automation equipment				Robotics and others			
		Taiwan	Mainland China	Taiwan	Mainland China	Japan	Singapore	Others	Taiwan	Mainland China	Total
Revenue		\$ 743,565	\$ 130,922	\$ 318,239	\$ 143,614	\$ 21,774	\$ 44,185	\$ 165,927	\$ 68,711	\$ 26,009	\$ 1,662,946
Timing of revenue recognition											
At a point in time		\$ 743,565	\$ 130,922	\$ 318,239	\$ 143,614	\$ 21,774	\$ 44,185	\$ 165,927	\$ 68,711	\$ 26,009	\$ 1,662,946

2. Contract assets and liabilities

- (1) The contractual liabilities related to the customer contract revenue recognized by the Group are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:			
Advance sales receipts	\$ 8,379	\$ 12,050	\$ 11,543

- (2) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Years Ended December 31	
	2025	2024
<u>Revenue recognized that was included in the contract liability balance at the beginning of the year</u>		
Advance sales receipts	\$ 11,377	\$ 10,612

(XXI) Interest Income

	Years Ended December 31	
	2025	2024
Interest income form bank deposits	\$ 7,720	\$ 14,696
Interest income from financial assets measured at amortized cost	249	4,618
	<u>\$ 7,969</u>	<u>\$ 19,314</u>

(XXII) Other Income

	Years Ended December 31	
	2025	2024
Rental income	\$ 9,297	\$ 9,176
Dividend income	6,977	15,400
Government grants	1,391	1,099
Others	10,309	13,858
	<u>\$ 27,974</u>	<u>\$ 39,533</u>

(XXIII) Other Gains and Losses

	Years Ended December 31	
	2025	2024
Gain on financial assets measured at fair value through profit or loss	\$ 19	\$ 131
Net foreign currency (loss) gain	(12,195)	28,678
Loss on disposal of property, plant and equipment	(567)	(292)
Gain on lease modification	113	55
Other losses	(534)	(213)
	<u>(\$ 13,164)</u>	<u>\$ 28,359</u>

(XXIV) Financial Costs

	Years Ended December 31	
	2025	2024
Interest expense:		
Interest expense of bank borrowings	\$ 3,443	\$ 971
Interest expense of lease liabilities	1,392	798
	<u>\$ 4,835</u>	<u>\$ 1,769</u>

(XXV) Employee Benefit Expense and Depreciation Charges

1. Employee benefit expense and depreciation charges

by function by nature	Year Ended December 31, 2025		
	Recognized in cost of revenue	Recognized in operating expenses	Total
Employee benefit expense			
Salary expenses	\$ 59,611	\$ 231,816	\$ 291,427
Share-based Payment	286	8,764	9,050
Labor and health expenses	4,331	16,466	20,797
Pension expense	1,712	9,627	11,339
Others	3,834	9,966	13,800
Depreciation charges	9,759	25,993	35,752

by function by nature	Year Ended December 31, 2024		
	Recognized in cost of revenue	Recognized in operating expenses	Total
Employee benefit expense			
Salary expenses	\$ 21,572	\$ 215,862	\$ 237,434
Share-based Payment	26	872	898
Labor and health expenses	1,735	13,598	15,333
Pension expense	1,131	8,501	9,632
Others	1,467	7,821	9,288
Depreciation expense	2,621	19,328	21,949

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

- (1) According to the Company's Articles of Incorporation, if the Company generates profits for the year, after covering accumulated deficits, it shall allocate no less than 5% of such profits as employees' compensation, of which no less than 30% shall be allocated as compensation to non-executive employees, as resolved by the Board of Directors and to be distributed in the form of shares or cash. The recipients of employees' compensation may include employees of subsidiaries who meet certain conditions. The Company may also, by resolution of the Board of Directors, allocate no more than 5% of such profits as directors' remuneration.

- (2) For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$11,582 and \$11,294, respectively; while directors' remuneration was accrued at \$6,949 and \$6,777, respectively. The aforementioned amounts were recognized as salary expenses.

For the year ended December 31, 2025, employees' compensation and directors' remuneration were estimated at 5% and 3% of the current year's distributable profit, respectively, in accordance with the Company's Articles of Incorporation. The employees' compensation and directors' remuneration for 2024, as resolved by the Board of Directors, were consistent with the amounts recognized in the 2024 financial statements.

Information regarding the employees' compensation and directors' remuneration approved by the Board of Directors is available on the "Market Observation Post System" on the Taiwan Stock Exchange website.

(XXVI) Income Tax Expense

1. Income tax expense

- (1) Components of income tax expense:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the year	\$ 41,149	\$ 33,782
Tax on undistributed surplus earnings	1,680	-
Prior year income tax overestimation	(1,782)	(1,355)
Total current tax	41,047	32,427
Deferred tax:		
Origination and reversal of temporary differences	400	2,939
Effect of exchange rate changes	84	-
Income tax expense	<u>\$ 41,531</u>	<u>\$ 35,366</u>

- (2) The income tax relating to other comprehensive income:

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Currency translation differences	(\$ 173)	(\$ 1,073)
Share of other comprehensive income of associates	(10)	(222)
Remeasurement of defined benefit obligations	392	107
	<u>\$ 209</u>	<u>(\$ 1,188)</u>

2. Reconciliation between income tax expense and accounting profit:

	Years Ended December 31	
	2025	2024
Income tax based on net profit before tax and statutory tax rate (Note)	\$ 43,076	\$ 43,753
Effects from items adjusted in accordance with tax regulations	(1,927)	(9,971)
Changes in the assessment of the realizability of deferred tax assets	400	2,939
Tax on undistributed surplus earnings	1,680	-
Prior year income tax overestimation	(1,782)	(1,355)
Effect of exchange rate changes	84	-
Income tax expense	<u>\$ 41,531</u>	<u>\$ 35,366</u>

Note: The applicable tax rate is determined based on the tax rate prescribed by the R.O.C. Income Tax Law.

3. Amounts of deferred tax assets or liabilities as a result of temporary difference as follows:

	Year Ended December 31, 2025			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
- Deferred tax assets:				
Temporary differences:				
Unrealized loss on inventory valuation	\$ 9,818	(\$ 1,684)	\$ -	\$ 8,134
Pension liability	711	(576)	392	527
Expected credit loss	3,206	(461)	-	2,745
Others	<u>3,402</u>	<u>567</u>	-	<u>3,969</u>
Subtotal	<u>17,137</u>	<u>(2,154)</u>	<u>392</u>	<u>15,375</u>
-Deferred tax liabilities:				
Temporary difference:				
Currency translation differences	(2,328)	-	(183)	(2,511)
Unrealized exchange gains	(3,188)	2,305	-	(883)
Share of profit from equity-accounted investees	<u>(37,321)</u>	<u>551</u>	-	<u>(37,872)</u>
Subtotal	<u>(42,837)</u>	<u>1,754</u>	<u>(183)</u>	<u>(41,266)</u>
Total	<u>(\$ 25,700)</u>	<u>(\$ 400)</u>	<u>\$ 209</u>	<u>(\$ 25,891)</u>

	Year Ended December 31, 2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
- Deferred tax assets:				
Temporary differences:				
Unrealized loss on inventory valuation	\$ 9,612	\$ 206	\$ -	\$ 9,818
Pension liability	686	(82)	107	711
Unrealized exchange losses	581	(581)	-	-
Expected credit loss	5,038	(1,832)	-	3,206
Others	1,745	1,657	-	3,402
Subtotal	17,662	(632)	107	17,137
-Deferred tax liabilities:				
Temporary difference:				
Currency translation differences	(1,033)	-	(1,295)	(2,328)
Unrealized exchange gains	(3)	(3,185)	-	(3,188)
Share of profit from equity- accounted investees	(38,199)	878	-	(37,321)
Subtotal	(39,235)	(2,307)	(1,295)	(42,837)
Total	(\$ 21,573)	(\$ 2,939)	(\$ 1,188)	(\$ 25,700)

4. The Company's corporate income tax returns have been assessed and approved by the tax authorities through the year 2023, except for the year 2021.

(XXVII) Earnings Per Share

	Year Ended December 31, 2025		
	Amount after-tax	Weighted average number of outstanding shares (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the period attributable to owners of the parent	\$ 172,069	82,790	\$ 2.08
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee's compensation	-	207	
Employee stock options	-	400	
Profit for the period attributable to owners of the parent plus the effect of potential ordinary shares	\$ 172,069	83,397	\$ 2.06

	Year Ended December 31, 2024		
	Amount after-tax	Weighted average number of outstanding shares (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the period attributable to owners of the parent	\$ 174,876	82,790	<u>\$ 2.11</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee's compensation	-	186	
Employee stock options	-	55	
Profit for the period attributable to owners of the parent plus the effect of potential ordinary shares	<u>\$ 174,876</u>	<u>83,031</u>	<u>\$ 2.11</u>

(XXVIII) Transactions with Non-controlling Interests

1. Acquisition of additional interests in a subsidiary

On May 10, 2024, the Group acquired an additional 10% of the issued shares of its subsidiary, Taiwan Oiles Industry Co., Ltd., for a cash consideration of \$5,550. The carrying amount of the non-controlling interests in Taiwan Oiles Industry Co., Ltd. on the acquisition date was \$5,459. As a result of the transaction, non-controlling interests decreased by \$5,459. The impact of the change in ownership interest in Taiwan Oiles Industry Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2024, is as follows:

	Year Ended December 31, 2024
Carrying amount of non-controlling interests acquired	\$ 5,459
Consideration paid to non-controlling interests	(5,550)
Retained earnings	<u>(\$ 91)</u>

2. The Group did not have any transactions with non-controlling interests in 2025.

(XXIX) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Guarantee deposits paid (Note)</u>	<u>Liabilities from financing activities-gross</u>
Balance at January 1, 2025	\$ 115,000	\$ 22,542	\$ 2,096	\$ 139,638
Changes in financing cash flow	165,000	(20,637)	(970)	143,393
Other non-cash changes	-	76,008	-	76,008
Exchange rate effect	-	(205)	-	(205)
Balance at December 31, 2025	<u>\$ 280,000</u>	<u>\$ 77,708</u>	<u>\$ 1,126</u>	<u>\$ 358,834</u>

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Guarantee deposits paid (Note)</u>	<u>Liabilities from financing activities-gross</u>
Balance at January 1, 2024	\$ 20,000	\$ 1,979	\$ 1,888	\$ 23,867
Changes in financing cash flow	95,000	(11,583)	208	83,625
Other non-cash changes	-	31,920	-	31,920
Exchange rate effect	-	226	-	226
Balance at December 31, 2024	<u>\$ 115,000</u>	<u>\$ 22,542</u>	<u>\$ 2,096</u>	<u>\$ 139,638</u>

Note: Listed as "Other non-current liabilities."

VII. RELATED PARTY TRANSACTIONS

(1) Names and Relationship of Related Parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
KUNSHAN KYOWA UNIVERSAL JOINT CO., LTD. ("Kunshan Kyowa")	Affiliated enterprises of the Company

(II) Significant Transactions and Balances with Related Parties

1. Purchase

	<u>Years Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Purchase of goods:		
KUNSHAN KYOWA UNIVERSAL	<u>\$ 74,142</u>	<u>\$ 87,400</u>

The purchase prices from related parties are determined with reference to market prices. The payment terms for related parties are approximately 60 days from the end of the month, while the payment terms for general suppliers range from 90 to 180 days from the end of the month.

2. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
KUNSHAN KYOWA UNIVERSAL	<u>\$ 20,954</u>	<u>\$ 29,227</u>

3. Rental income

KUNSHAN KYOWA UNIVERSAL	Years Ended December 31	
	2025	2024
	\$ 4,081	\$ 3,947

(III) Key Management Compensation

	Years Ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$ 37,015	\$ 38,572
Post-employment benefits	864	746
Share-based Payment	3,561	413
	<u>\$ 41,440</u>	<u>\$ 39,731</u>

VIII. PLEDGED ASSETS

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

Pledged assets	Book value		Pledge purpose
	December 31, 2025	December 31, 2024	
Time deposits (Shown as financial assets at amortized cost)	\$ 775	\$ 775	performance guarantee deposit for construction contracts
Property, plant and equipment	204,664	205,949	short-term borrowings short-term borrowings
Investment property	82,954	84,009	facility limit
	<u>\$ 288,393</u>	<u>\$ 290,733</u>	

IX. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(I) Contingencies

None.

(II) Commitments

- As of December 31, 2025 and 2024, the guarantee notes issued by the Group for construction performance guarantees amounted to \$9,160 at both year-ends.
- As of December 31, 2025 and 2024, the guarantee letters issued by banks for the Group's customs duty deposits amounted to \$3,000 and \$1,500, respectively.
- As of December 31, 2025, the total amount of distribution agreements entered into by the Company was US\$5,600 thousand, of which US\$5,565 thousand had not yet been incurred.

X. SIGNIFICANT DISASTER LOSS

None.

XI. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For the earnings distribution proposal for the year 2025, please refer to Note 6(18)6.

XII. OTHERS

(I) Capital Risk Management

The Group's capital management objectives are to ensure business continuity, maintain an optimal capital structure to minimize the cost of capital, and maximize shareholder returns. To maintain or adjust its capital structure, the Group may modify dividend distributions, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(II) Financial Instruments

1. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 305
Financial assets measured at fair value through other comprehensive income		
Equity instruments designated at fair value through other comprehensive income	\$ 216,816	\$ 119,060
Financial assets at amortized cost		
Cash and cash equivalents	\$ 401,029	\$ 556,660
Financial assets at amortized cost	775	18,687
Notes receivable	9,563	12,970
Accounts receivable	864,479	596,463
Other receivables	3,157	3,713
Long-term notes and accounts receivable	530	-
Refundable deposits paid (listed as other non-current assets)	7,052	3,724
	<u>\$ 1,286,585</u>	<u>\$ 1,192,217</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 280,000	\$ 115,000
Accounts payable (including related parties)	429,536	306,352
Other payables	144,982	123,260
Guarantee deposits received (listed as other non-current liabilities)	1,126	2,096
	<u>\$ 855,644</u>	<u>\$ 546,708</u>
Lease liabilities (including current and non-current)	<u>\$ 77,708</u>	<u>\$ 22,542</u>

2. Financial risk management policies

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The

Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

- (2) The Group's finance and accounting department is responsible for executing risk management operations in accordance with policies approved by the Board of Directors. The finance and accounting department collaborates closely with various business units within the Group to identify, assess, and mitigate financial risks. The Board of Directors has established written principles for overall risk management and has also provided specific written policies on certain areas and matters, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquidity.

3. Significant financial risk and degrees of financial risks

- (1) Market risk

Foreign exchange risk

A. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, CNY, JPY and THB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

B. Management has set up a policy to manage its foreign exchange risk against the functional currency.

C. The Group's businesses involve some non-functional currency operations (the functional currency of the Company and certain subsidiaries is NTD, while the functional currency of certain other subsidiaries is RMB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency amount (in thousand)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 7,940	31.4300	\$ 249,554
JPY: NTD	25,277	0.2007	5,073
CNY: NTD	550	4.4960	2,473
USD:CNY	1,208	7.0288	8,491
<u>Non-monetary items</u>			
CNY: NTD	\$ 8,188	4.4960	\$ 36,811
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 395	31.4300	\$ 12,415
JPY: NTD	26,233	0.2007	5,265
CNY: NTD	15,148	4.4960	68,105

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (in thousand)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 10,354	32.7850	\$ 339,456
JPY: NTD	40,801	0.2099	8,564
CNY: NTD	245	4.4780	1,097
USD:CNY	1,597	7.3215	11,692
<u>Non-monetary items</u>			
CNY: NTD	\$ 8,481	4.4780	\$ 37,978
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 109	32.7850	\$ 3,574
JPY: NTD	25,544	0.2099	5,362
CNY: NTD	10,455	4.4780	46,817
USD:CNY	20	7.3215	146

D. Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to (\$12,195) and \$28,678 , respectively.

E. Based on the Group's sensitivity analysis of all monetary assets and liabilities during the years 2025 and 2024, assuming a 1% fluctuation in the exchange rate of the NTD against other currencies while all other factors remain unchanged, the Group's net profit would decrease or increase by \$1,798 and \$3,049, respectively.

Price risk

A. The Group's equity securities, which are exposed to price risk, are the held financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

B. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the price of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$0 and \$2, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,735 and \$952, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk primarily arises from short-term borrowings issued at variable rates, exposing the Group to cash flow interest rate risk. During 2025 and 2024, the Group's borrowings issued at variable rates were mainly denominated in NTD.

- B. The Group's borrowings are measured at amortized cost. According to the contract, the interest rate is priced again every year. Therefore, the Group is exposed to the risk of future changes in market interest rates.
- C. If the NTD borrowing interest rate increases or decreases by 1%, with all other variables held constant, net profit after tax for the years ended December 31, 2025 and 2024 would have decreased or increased by \$2,240 and \$920, respectively. The primary reason is that interest expense fluctuates with changes in floating rate borrowings.
- (2) Credit risk
- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- B. The Group establishes credit risk management from a corporate perspective. For banks and financial institutions, only well-rated parties are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilization of credit limits is regularly monitored.
- C. The Group adopts historical experience and industry characteristics to determine that a default occurs when contract payments are past due over 120 days based on the agreed payment terms.
- D. The Group applies the presumption under IFRS 9 that if contract payments are past due for more than 90 days based on the agreed payment terms, it is presumed that the credit risk of the financial asset has significantly increased since initial recognition.
- E. The indicators used by the Group to determine whether an investment in debt instruments has experienced credit impairment are as follows:
- (A) The issuer experiences significant financial difficulties or there is a significant increase in the likelihood of entering bankruptcy or other financial restructuring;
 - (B) The issuer encounters financial difficulties, leading to the disappearance of an active market for the financial asset;
 - (C) The issuer delays or fails to pay interest or principal;
 - (D) Adverse national or regional economic conditions that increase the likelihood of issuer default.
- F. The Group classifies customers' accounts receivable (including current and non-current portions) and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.
- G. For accounts receivable that are not reasonably expected to be recovered, the Group continues to pursue legal proceedings to preserve its claims. As of December 31, 2025 and 2024, no receivables were reclassified as overdue receivables following collection procedures.

H. The Group incorporates forward-looking information related to global economic conditions to adjust the loss rates established based on historical and current information over a specific period in estimating the allowance for expected credit losses on accounts receivable and contract assets. As at December 31, 2025 and 2024, the provision matrix and loss rates are as follows:

Balance at			
<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.01%	\$ 861,107	(\$ 10,095)
Past due within 90 days	0.01~17%	15,234	(152)
Past due over 91 days	0.23~100%	8,895	(417)
		<u>\$ 885,236</u>	<u>(\$ 10,664)</u>
Balance at			
<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.01%	\$ 601,328	(\$ 5,354)
Past due within 90 days	0.01%~0.04%	9,121	(91)
Past due over 91 days	0.04%~100%	4,654	(225)
		<u>\$ 615,103</u>	<u>(\$ 5,670)</u>

I. Movements in the Group's loss allowance for accounts receivable and contract assets under the simplified approach are as follows:

	Year Ended December 31, 2025		
	Accounts receivable		
	Individual assessment	Group assessment	Total
Balance at January 1	\$ -	\$ 5,670	\$ 5,670
Provision of impairment loss	-	4,927	4,927
Exchange rate effect	-	67	67
Balance at December 31	<u>\$ -</u>	<u>\$ 10,664</u>	<u>\$ 10,664</u>

	Year Ended December 31, 2024		
	Accounts receivable		
	Individual assessment	Individual assessment	Individual assessment
Balance at January 1	\$ -	\$ 5,819	\$ 5,819
Reversal of impairment loss	-	(324)	(324)
Exchange rate effect	-	175	175
Balance at December 31	<u>\$ -</u>	<u>\$ 5,670</u>	<u>\$ 5,670</u>

For the years ended December 31, 2025 and 2024, the impairment loss (reversal of impairment loss) on receivables arising from customers' contracts amounted to \$4,927 and (\$324), respectively.

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

	December 31, 2025			
	By staging period			
	12-month ECL	Credit risk significantly increased	Credit- impaired	Total
Financial assets at amortized cost Group 1	\$ 775	\$ -	\$ -	\$ 775
	December 31, 2024			
	By staging period			
	12-month ECL	Credit risk significantly increased	Credit- impaired	Total
Financial assets at amortized cost Group 1	\$ 18,687	\$ -	\$ -	\$ 18,687

Group 1: Time deposits earning fixed interest.

(3) Liquidity risk

A. Cash flow forecasts are conducted by each operating entity within the Group and consolidated by the finance and accounting department. The Group's treasury monitors rolling forecasts of liquidity requirements to ensure sufficient funds are available to meet operational needs. Additionally, the Group maintains adequate unutilized borrowing facilities at all times to prevent any breaches of borrowing limits or covenants.

B. The details of the Group's undrawn facilities are as follows:

	December 31, 2025	December 31, 2024
Due within one year	\$ 1,120,000	\$ 1,115,000

C. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities:

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Short-term borrowings	\$ 282,034	\$ -	\$ -	\$ 282,034
Accounts payable (including related parties)	429,536	-	-	429,536
Other payables	144,982	-	-	144,982
Lease liabilities	27,652	33,107	21,806	82,565

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Short-term borrowings	\$ 115,414	\$ -	\$ -	\$ 115,414
Accounts payable (including related parties)	306,352	-	-	306,352
Other payables	123,260	-	-	123,260
Lease liabilities	12,382	13,206	45	25,633

(III) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of listed equity investments held by the Group is classified as Level 1.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's financial bond investments is classified as Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investments in equity instruments without an active market is classified as Level 3.
2. The carrying amounts of financial instruments not measured at fair value, excluding financial assets measured at amortized cost but including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.
3. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

- (1) The related information by level on the basis of the nature of the assets and liabilities is as follows:

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets measured at fair value through other comprehensive income				
Equity instruments	\$ -	\$ -	\$ 216,816	\$ 216,816
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,816</u>	<u>\$ 216,816</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets measured at fair value through profit or loss				
Equity securities	\$ 305	\$ -	\$ -	\$ 305
Financial assets measured at fair value through other comprehensive income				
Equity instruments	-	-	119,060	119,060
	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ 119,060</u>	<u>\$ 119,365</u>

- (2) The methods and assumptions that the Group used to measure fair value are as follows:
- The Group adopts market quoted prices as inputs for fair value measurement (i.e., Level 1): Listed company shares are measured at their closing prices.
 - Except for financial instruments with active markets, the fair value of other financial instruments is measured using valuation techniques or by referencing counterparty quotations. These valuation techniques may include referencing the fair value of similar financial instruments with comparable terms and characteristics, discounted cash flow methods, or other valuation models incorporating market information available as at the consolidated balance sheet date (e.g., OTC market reference yield curve and Reuters' average commercial paper interest rate quotations).
 - The Group incorporates credit risk adjustments into the fair value measurement of financial and non-financial instruments to reflect both counterparty credit risk and the Group's credit quality.
4. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

5. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
Balance at January 1	\$ 119,060	\$ 227,098
Purchases for the Period	55,208	-
Gains or losses recognized in profit or loss		
Unrealized valuation gains or losses on equity instrument investments measured at fair value through other comprehensive income	39,308	(108,038)
Effect of exchange rate changes	3,240	-
Balance at December 31	<u>\$ 216,816</u>	<u>\$ 119,060</u>

6. For the years ended December 31, 2025 and 2024, there was no transfer in or out of Level 3.

7. The Finance and Accounting Department oversees the valuation process for Level 3 fair value measurements, ensuring independent verification of financial instruments' fair value. This process incorporates independent data sources, verifies data reliability and consistency, and ensures data reflects executable prices. The department also periodically calibrates valuation models, updates input data, and makes necessary fair value adjustments to maintain reasonable valuation results.

8. The following is the quantitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instruments:					
Unlisted shares	\$ 7,737	Market comparable companies	Price-to-earnings multiple, enterprise value multiple	Not applicable.	The higher the multiple and control premium, the higher the fair value.
Unlisted shares	\$ 209,079	Discounted cash flow method	Note1	Not applicable.	Note2
	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instruments:					
Unlisted shares	\$ 119,060	Market comparable companies	Price-to-earnings multiple, enterprise value multiple	Not applicable.	The higher the multiple and control premium, the higher the fair value.

Note 1: Key assumptions include the long-term revenue growth rate, weighted average cost

of capital, long-term operating profit before tax, discount for lack of marketability, and discount for lack of control.

Note 2: The higher the discount for lack of marketability, the lower the fair value; the higher the weighted average cost of capital and discount for lack of control, the lower the fair value; conversely, the higher the long-term revenue growth rate and long-term operating profit before tax, the higher the fair value.

9. The Group carefully assesses the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may lead to different measurement results. The following is the effect on profit or loss or on other comprehensive income from financial assets categorized within Level 3 for the years ended December 31, 2025 and 2024 if the inputs used to valuation models have changed:

		December 31, 2025		
		Recognized in other comprehensive income (loss)		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets				
Equity instruments	Stock price	±10 %	\$ 21,682	(\$ 21,682)
	Liquidity discount	±1%	<u>2,168</u>	<u>(2,168)</u>
			<u>\$ 23,850</u>	<u>(\$ 23,850)</u>

		December 31, 2024		
		Recognized in other comprehensive income (loss)		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets				
Equity instruments	Stock price	±10%	\$ 11,906	(\$ 11,906)
	Liquidity discount	±1%	<u>1,191</u>	<u>(1,191)</u>
			<u>\$ 13,097</u>	<u>(\$ 13,097)</u>

XIII. SUPPLEMENTARY DISCLOSURES

(I) Significant Transactions Information

- Loans to others: None.
- Provision of endorsements and guarantees to others: None.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- Significant inter-company transactions during the reporting periods: Please refer to table 2.

(II) Information on Investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(III) Mainland China Investment Information

1. Basic information: Please refer to table 4.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: Please refer to table 2.

XIV. OPERATING SEGMENT INFORMATION

(I) General Information

For management purposes, the Group is organized into operating units based on the nature of products, and accordingly identifies the reportable segments. The Group has the following three reportable segments:

1. Automation components operating unit: Responsible for the Group's operations relating to key components such as high-precision transmission, drive, sensing, and control components, and for the development, R&D, manufacturing, sales, and technical support of integrated applications for diversified equipment.
2. Automation equipment operating unit: Responsible for the Group's operations relating to intelligent manufacturing process equipment, including the development, R&D, manufacturing, sales, and technical support of integrated hardware and software equipment and modules for assembly, inspection, material handling, and collaborative applications.
3. Robotics and others operating unit: Responsible for the development, R&D, manufacturing, sales, and technical services relating to the Group's AI robotics solutions (including autonomous mobile robots, industrial robots, and humanoid robots) and energy-saving building materials products, such as EcoColor shading systems.

(II) Measuring of Segment Information

The Group's management monitors the operating results of its operating units separately for the purpose of making decisions about resource allocation and performance assessment. The performance of each operating unit is evaluated based on profit or loss before tax, excluding the effects of non-recurring income and expenses, and is measured consistently with the Group's consolidated financial statements.

(III) Segment Information

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

	Automation components	Automation equipment	Robotics and others	Adjustment and elimination	Total
<u>2025</u>					
External income	\$ 970,099	\$ 1,386,666	\$ 139,643	\$ -	\$ 2,496,408
Inter-segment revenue	13,468	137,471	236	(151,175)	-
Segment revenue	\$ 983,567	\$ 1,524,137	\$ 139,879	(\$ 151,175)	\$ 2,496,408
segment profit or loss	\$ 119,605	\$ 65,636	\$ 33,245	(\$ 4,886)	\$ 213,600
Segment profit or loss includes:					
Depreciation and amortization					\$ 35,752
Interest income					\$ 7,969
Interest expense					\$ 4,835
Share of profit or loss of associates under the equity method					\$ 6,754
<u>2024</u>					
External income	\$ 874,487	\$ 693,739	\$ 94,720	\$ -	\$ 1,662,946
Inter-segment revenue	17,775	107,072	38,182	(163,029)	-
Segment revenue	\$ 892,262	\$ 800,811	\$ 132,902	(\$ 163,029)	\$ 1,662,946
segment profit or loss	\$ 174,245	\$ 99,924	(\$ 59,121)	(\$ 4,894)	\$ 210,154
Segment profit or loss includes:					
Depreciation and amortization					\$ 21,949
Interest income					\$ 19,314
Interest expense					\$ 1,769
Share of profit or loss of associates under the equity method					\$ 9,023

(IV) Reconciliation of Segment Profit or Loss

There is no difference between the statements used by the chief operating decision maker for segment decision-making and the segment profit or loss statements; therefore, no reconciliation is required.

(V) Information by Product

The composition of revenue is detailed as follow:

	Years Ended December 31	
	2025	2024
Automation components revenue	\$ 951,373	\$ 874,487
Automation equipment and modules revenue	1,267,990	693,739
Robotics and others revenue	277,045	94,720
	\$ 2,496,408	\$ 1,662,946

(VI) Geographical Information

The geographic information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Years Ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 1,959,352	\$ 430,943	\$ 1,130,515	\$ 347,501
Mainland China	266,568	13,915	300,545	25,688
Singapore	70,580	-	44,185	-
Japan	18,288	-	21,774	-
Others	181,620	-	165,927	-
	<u>\$ 2,496,408</u>	<u>\$ 444,858</u>	<u>\$ 1,662,946</u>	<u>\$ 373,189</u>

(VII) Information of Major Customers

For the years ended December 31, 2025 and 2024, the information on major customers accounting for more than 10% of the consolidated revenue is as follows:

	Years Ended December 31			
	2025		2024	
	Revenue	Segment	Revenue	Segment
71-1384	\$ 904,004	Taiwan	\$ 322,291	Taiwan
71-0937	506,160	Taiwan	369,962	Taiwan
	<u>\$ 1,410,164</u>		<u>\$ 692,253</u>	

AUROTEK CORPORATION
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD
(NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 1

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As at December 31,2025				Note (Note 4)
				Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	
AUROTEK CORPORATION	SHANGHAI OILES BEARING INC	None	Financial assets measured at fair value through other comprehensive income - non-current	-	\$ 33,353	10	\$ 33,353	None
AUROTEK CORPORATION	OILES (THAILAND) CO., LTD.	None	Financial assets measured at fair value through other comprehensive income - non-current	156,000	119,205	15	119,205	None
AUROTEK CORPORATION	Career Consulting Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	403,055	7,737	2.58	7,737	None
Aurotek (Shanghai) Inc.	Bybot (Shenzhen) CO., LTD.	None	Financial assets measured at fair value through other comprehensive income - non-current	-	34,041	16	34,041	None
Aurotek (Shanghai) Inc.	ShenZhen IntelliDrive HubCreative Technology Co.,Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	-	22,480	10	22,480	None

Note 1: The marketable securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and derivative securities arising from these items that fall within the scope of IAS 39 "Financial Instruments: Recognition and Measurement."

Note 2: If the issuer of the marketable securities is not a related party, this column may be omitted.

Note 3: For securities measured at fair value, the carrying amount should reflect fair value adjustments and be net of accumulated impairment. For securities not measured at fair value, the carrying amount should reflect the original acquisition cost or amortized cost, net of accumulated impairment.

Note 4: If the listed marketable securities are pledged as collateral, loan security or subject to other usage restrictions under agreements, the remarks column should specify the number of pledged shares, the amount of collateral or pledged securities, and the nature of the restriction.

Note 5: This table includes marketable securities that the Company determined should be presented based on the principle of materiality.

AUROTEK CORPORATION
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 2

No. (Note I)	Company name	Counterparty	Relationship (Note II)	Transaction			Percentage of consolidated total operating revenues or total assets (Note III)
				General ledger account	Amount	Trading terms	
1	Aurotek (Shanghai) Inc.	Kunshan Yichun Industrial Technology Co., Ltd.	3	Purchase of goods	\$ 67,929	Note 2	3%

Note 1: If there are purchase and sales transactions between the Group and related parties, collections shall follow the agreed payment terms. The credit policy for related parties is approximately net 180 days. For general customers, the credit policy is net 90 to 180 days.

Note 2: The Group determines the purchase price for related parties with reference to market prices, and the payment terms are net 180 days. Payment terms for general customers range from net 90 to 180 days.

Note 3: Represents loans and receivables.

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

1. Parent company is "0".
2. The subsidiaries are numbered in order starting from "1".

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

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note III: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts. Individual transaction amounts that do not reach 1% of total revenue or total assets are not disclosed.

AUROTEK CORPORATION
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at December 31,2025			Net profit (loss) of the investee for the year ended December 31,2025	Investment income (loss) recognized by the Company for the year ended December 31,2025	Note
				Balance as at December 31,2025	Balance as at December 31,2024	Number of shares	Ownership (%)	Carrying amount			
AUROTEK CORPORATION	3e Yamaichi Electronics Co., Ltd.	Taiwan	Sale of electronic components	\$ 24,130	\$ 24,130	2,413,000	19	\$ 35,038	\$ 31,911	\$ 5,923	-

AUROTEK CORPORATION
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 4

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China as at January 1,2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31,2025		Accumulated amount of remittance from Taiwan to Mainland China as at December 31,2025	Net income (loss) of investee for the year ended December 31,2025	Ownership held by the Company (direct or indirect) (%)	Net income (loss) recognized by the Company for the year ended December 31,2025	Carrying amount of investments in Mainland China as at December 31,2025	Accumulated amount of investment income remitted back to Taiwan as at December 31,2025	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Aurotek (Shanghai) Inc.	International trade, processing and assembly machinery, electronic board divider	\$ 46,592	1	\$ 46,592	\$ -	\$ -	\$ 46,592	(\$ 3,369)	100	(\$ 3,864)	\$ 194,267	\$ 8,698	Note 2(2)B
SHANGHAI OILES BEARING INC	Production and sale of precision bearings and self-lubricating bearings of various specifications	97,161	1	10,402	-	-	10,402	-	10	-	33,353	13,008	Note 4
KUNSHAN KYOWA UNIVERSAL JOINT CO., LTD.	Production and sale of couplings and auto parts	67,072	1	20,121	-	-	20,121	2,768	30	831	36,811	9,902	Note 2(2)B
Kunshan Yichun Industrial Technology Co., Ltd.	Production and sale of various electronic equipment and high-end construction hardware and other related parts	14,983	1	14,983	-	-	14,983	8,255	100	8,224	36,470	-	Note 2(2)B
Bybot (Shenzhen) CO., LTD.	Software and information technology services industry	4,870	3	-	-	-	-	-	16	-	34,041	-	Note 4
ShenZhen IntelliDrive HubCreative Technology Co.,Ltd.	Software and information technology services industry	4,496	3	-	-	-	-	-	10	-	22,480	-	Note 4
Company Name		Accumulated amount of remittance from Taiwan to Mainland China as at December 31,2025	Investment amount approved by the Department of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Department of Ministry of MOEA									
AUROTEK CORPORATION and Subsidiaries		\$ 92,098	\$ 92,098	\$ 963,730									

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:

- (1) Direct investment in Mainland China.
- (2) Reinvest in Mainland China through a company in a third region.
- (3) Reinvestment through Aurotek (Shanghai) Inc.

Note 2: Columns of investment gains and losses recognized in the current period:

- (1) If there is no investment profit or loss in the preparation process, it should be specified.
- (2) The basis for recognition of investment gains and losses are divided into the following three types, which should be specified.
 - A. Financial statements audited by an international CPA firm that has partnered with a ROC CPA firm.
 - B. Financial statements audited by the parent company's CPAs in Taiwan.
 - C. Others

Note 3: Relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: Recognized in the "financial assets measured at fair value through other comprehensive income - non-current" account.