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HOWTEH TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS’ REVIEW REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. IN the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

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MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of HOWTEH TECHNOLOGY CO., LTD. as of December 31, 2025 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, HOWTEH TECHNOLOGY CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

HOWTEH TECHNOLOGY CO., LTD.

By

Chen, Kuo-Hung

Chairman
March 11, 2026

Independent Auditors' Review Report

To the Board of Directors and Shareholders of

HOWTEH TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of HOWTEH TECHNOLOGY CO., LTD. (the "Company") and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 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, and we do not provide a separate opinion on these matters.

1. Revenue recognition

The Group’s recognized a net operating income of NT$3,013,984 thousand in the year of 2025. Due to the diversity of the Group’s products, the sales of domestic and foreign markets, and the different trading conditions, we believe that it is important to decide the performance obligation and the timing of the fulfillment of which. Thus, we conclude that revenue recognition is a key audit matter.

Our audit procedure include, but not limited to, assessing the appropriateness of accounting policies for revenue recognition, understanding and testing the design and implementation of internal controls related to the sales cycle; selecting samples to perform transaction detail tests, inspecting the transaction records and checking the important terms in the order or contract, identifying the performance obligation of the order or contract and confirming the time point of satisfaction; performing cut-off tests for a period of time around the end of the year, including obtaining the customer's original order or contract, inspecting the trading conditions and checking the relevant vouchers to verify the correctness of the transaction recognition point and confirming that the performance obligation has been satisfied; performing analytical procedures such as analysis of gross margin fluctuation and sales changes of the top 10 customers, and inspecting the significant sales returns and discounts if any subsequent to the balance sheet date to confirm the reasonableness of the timing of revenue recognition.

We have also evaluated the appropriateness of the related disclosure in notes 4 and 6 to the consolidated financial statements.

2. Inventory valuation of inventories

As of December 31, 2025, the Group’s net inventories amounted to NT$249,407 thousand, which accounted for approximately 10% of the total consolidated assets. Considering that products technology and market changes has significant impact on inventory turnover and selling prices, that the management's assessment of the net realization value of inventory is important to the financial statements. Thus, we conclude that inventory valuation is a key audit matter.

Our audit procedures include, but not limited to, performing analytical procedures such as days of inventory turnover to assess the reasonableness of inventory valuation accounting policies (including provisions for slow-moving and obsolete inventory and net realizable value of inventory); selecting inventory samples from different inventory aging buckets, verifying transaction vouchers and comparing transaction records to confirm the accuracy of inventory aging; selecting samples with large amounts and considering the recent market prices to assess the reasonableness of the net realizable value of the inventory adopted by management.

We have also evaluated the appropriateness of the related disclosure in notes 4, 5 and 6 to the consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Standards International Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China 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 ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process of the Group.

Auditor's 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 auditor's 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 maintain 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 internal control of the Company and its subsidiaries.

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company for the years 2025 and 2024.

Chang, Chiao-Ying

Chang, Chih-Ming

Ernst & Young, Taiwan

March 11, 2026

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

			December 31, 2025		December 31, 2024	
CODE	ASSETS	NOTES	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	4,6,12	$909,352	35	$900,014	36
1150	Notes receivable, net	4,5,6,12	10,742	-	1,399	-
1170	Accounts receivable, net	4,5,6,7,12	961,848	37	895,439	36
1200	Other receivables	5,12	92	-	91	-
1220	Current tax assets	4,5	-	-	4,365	-
130x	Inventories	4,5,6	249,407	10	233,597	9
1410	Prepayments	6	66,956	2	10,977	-
11xx	Total current assets		2,198,397	84	2,045,882	81
	NONCURRENT ASSETS					
1517	Non-current financial assets at fair value through other comprehensive income	4,6,12	216,408	8	271,961	11
1600	Property, plant and equipment	4,6,8	107,630	5	109,364	5
1755	Right-of-use assets	4,6	12,407	-	10,967	-
1760	Investment property, net	4,5,6,12	3,824	-	8,437	-
1780	Intangible assets	4,6	807	-	553	-
1840	Deferred income tax assets	4,5,6	5,439	-	4,851	-
1920	Guarantee deposits paid	7,9,12	56,112	2	58,491	2
1990	Other non-current assets, others	4,5,6	16,803	1	14,319	1
15xx	Total noncurrent assets		419,430	16	478,943	19
1xxx	TOTAL ASSETS		$2,617,827	100	$2,524,825	100

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

			December 31, 2025		December 31, 2024	
CODE	LIABILITIES AND EQUITY	NOTES	AMOUNT	%	AMOUNT	%
	CURRENT LIABILITIES					
2100	Current borrowings	4,6,8,9,12	$635,000	25	$572,000	23
2130	Current contract liabilities	4,6	58,670	2	55,032	2
2170	Accounts payable	4,12	214,625	9	171,545	7
2200	Other payables	4,7,12	87,780	3	93,841	4
2230	Current tax liabilities	4,5	7,826	-	37	-
2280	Current lease liabilities	4,6,12	6,711	-	10,249	-
2399	Other current liabilities, others		930	-	1,088	-
21xx	Total current liabilities		1,011,542	39	903,792	36
	NONCURRENT LIABILITIES					
2570	Deferred tax liabilities	4,5,6	21,148	1	10,677	-
2580	Non-current lease liabilities	4,6,12	5,357	-	795	-
2600	Other non-current liabilities, others		275	-	248	-
2645	Guarantee deposits received	12	517	-	517	-
25xx	Total non-current liabilities		27,297	1	12,237	-
2xxx	TOTAL LIABILITIES		1,038,839	40	916,029	36
	EQUITY					
3100	Share capital	4,6				
3110	Common stock		651,298	25	651,298	27
3200	Capital surplus	4,6	52,062	2	52,062	2
3300	Retained earnings	6				
3310	Legal reserve		247,871	9	235,751	9
3320	Special reserve		3,340	-	3,340	-
3350	Unappropriated retained earnings		488,671	19	433,590	17
	Total retained earnings		739,882	28	672,681	26
3400	Other equity interest	4,6	152,907	6	232,755	9
3500	Treasury shares	4,6	(17,161)	(1)	-	-
3xxx	TOTAL EQUITY		1,578,988	60	1,608,796	64
	TOTAL LIABILITIES AND EQUITY		$2,617,827	100	$2,524,825	100

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

CODE	ITEMS	NOTES	2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	4,6,7	$3,013,984	100	$2,764,919	100
5000	Operating costs	4,6,7	(2,724,554)	(90)	(2,493,708)	(90)
5900	Gross profit		289,430	10	271,211	10
6000	Operating expenses	4,5,6,7				
6100	Selling expenses		(118,440)	(4)	(117,729)	(4)
6200	Administrative expenses		(73,824)	(3)	(88,028)	(3)
6450	Reversal of credit loss (expected credit loss)		(5,559)	-	8,376	-
	Total operating expenses		(197,823)	(7)	(197,381)	(7)
6900	Operating income		91,607	3	73,830	3
7000	Non-operating income and expenses	4,5,6,12				
7100	Interest income		13,138	-	11,909	-
7010	Other income		16,916	1	16,878	-
7020	Other gains and losses		65,045	2	54,718	2
7050	Finance costs		(12,218)	-	(11,966)	-
	Total non-operating income and expense		82,881	3	71,539	2
7900	Income before income tax		174,488	6	145,369	5
7950	Income tax expense	4,5,6	(30,295)	(1)	(28,404)	(1)
8200	Net income		144,193	5	116,965	4
8300	Other comprehensive income (loss)	4,6				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		1,455	-	5,288	-
8316	Unrealize gain on equity instrument at fair value through other comprehensive income		(55,553)	(2)	(26,947)	(1)
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently		(291)	-	(1,058)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(24,295)	(1)	45,835	2
	Total other comprehensive income, net of tax		(78,684)	(3)	23,118	1
8500	Total comprehensive income		$65,509	2	$140,083	5
8600	Net income attributable to:					
8610	Net income, attributable to owners of parent		$144,193	5	$116,965	4
8620	Comprehensive income, attributable to non-controlling interests		-	-	-	-
			$144,193	5	$116,965	4
8700	Comprehensive income attributable to:					
8710	Comprehensive income, attributable to owners of parent		$65,509	2	$140,083	5
8720	Comprehensive income, attributable to non-controlling interests		-	-	-	-
			$65,509	2	$140,083	5
	Earnings per share	6				
9750	Basic earnings per share (in NTD)		$2.22		$1.80	
9850	Diluted earnings per share (in NTD)		$2.21		$1.79	

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

				Retained Earnings			Other Equity Interest			
	ITEMS	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	Treasury shares	Total Equity
Code		3100	3200	3310	3320	3350	3410	3420	3500	3XXX
A1	Balance, January 1, 2024	$651,298	$52,062	$225,647	$3,340	$400,655	$(13,034)	$226,901	$-	$1,546,869
	Appropriation of 2023 earnings									
B1	Legal reserve	-	-	10,104	-	(10,104)	-	-	-	-
B5	Cash dividends	-	-	-	-	(78,156)	-	-	-	(78,156)
D1	Net income for 2024	-	-	-	-	116,965	-	-	-	116,965
D3	Other comprehensive income (loss) for 2024	-	-	-	-	4,230	45,835	(26,947)	-	23,118
D5	Total comprehensive income	-	-	-	-	121,195	45,835	(26,947)	-	140,083
Z1	Balance, December 31, 2024	$651,298	$52,062	$235,751	$3,340	$433,590	$32,801	$199,954	$-	$1,608,796
A1	Balance, January 1, 2025	$651,298	$52,062	$235,751	$3,340	$433,590	$32,801	$199,954	$-	$1,608,796
	Appropriation of 2024 earnings									
B1	Legal reserve	-	-	12,120	-	(12,120)	-	-	-	-
B5	Cash dividends	-	-	-	-	(78,156)	-	-	-	(78,156)
D1	Net income for 2025	-	-	-	-	144,193	-	-	-	144,193
D3	Other comprehensive income (loss) for 2025	-	-	-	-	1,164	(24,295)	(55,553)	-	(78,684)
D5	Total comprehensive income	-	-	-	-	145,357	(24,295)	(55,553)	-	65,509
L1	Treasury shares repurchased	-	-	-	-	-	-	-	(17,161)	(17,161)
Z1	Balance, December 31, 2025	$651,298	$52,062	$247,871	$3,340	$488,671	$8,506	$144,401	$(17,161)	$1,578,988

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

HOWTEH TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

Expressed in thousands of New Taiwan Dollars

Code		2025 AMOUNT	2024 AMOUNT
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A10000	Income before income tax	$174,488	$145,369
A20000	Adjustments for:		
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expense	13,607	13,394
A20200	Amortization expense	676	287
A20300	Reversal of expected credit loss	5,559	(8,376)
A20900	Finance costs	12,218	11,966
A21200	Interest income	(13,138)	(11,909)
A21300	Dividend income	(10,779)	(11,774)
A22500	Loss (gain) on disposal of property, plant and equipment	-	(66)
A22600	Property, plan and equipment transferred to expenses	5	-
A22700	Gain on disposal of investments	(82,391)	-
A29900	Gain on lease modification	(3)	-
A30000	Changes in operating assets and liabilities:		
A31130	Decrease (increase) in notes receivable	(9,343)	(1,017)
A31150	Decrease (increase) in accounts receivable	(71,968)	(4,179)
A31180	Decrease (increase) in other receivables	(1)	(45)
A31200	Decrease (increase) in inventories	(15,810)	24,000
A31230	Decrease (increase) in prepayments	(55,979)	(1,227)
A31990	Decrease (increase) other non-current assets, others	(1,155)	-
A32125	Increase (decrease) in contract liabilities	3,638	53,110
A32150	Increase (decrease) in accounts payables	43,080	(93,708)
A32180	Increase (decrease) in other payables	(6,061)	8,102
A32230	Increase (decrease) other current liabilities	(158)	-
A33000	Cash generated from operations	(13,515)	123,927
A33100	Interest received	13,138	11,909
A33500	Income tax paid	(8,549)	(13,546)
AAAA	Net cash generated from operating activities	(8,926)	122,290
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B02700	Acquisition of property, plant and equipment	(366)	(1,713)
B02800		-	66
B03700	Refundable deposits	2,379	(3,271)
B04500	Acquisition of intangible assets	(930)	-
B05400	Acquisition of investment property	(188)	-
B05500	Disposal of investment property	87,080	-
B06700	Other non-current assets, other decrease(increase)	126	(191)
B07600	Dividends received	10,779	11,774
BBBB	Net cash used in investing activities	98,880	6,665
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loan	2,818,000	2,704,000
C00200	Decrease in short-term loan	(2,755,000)	(2,722,000)
C03100	Decrease in guarantee deposit received	-	(2,792)
C04020	Payment of the principal portion of lease liabilities	(12,652)	(13,171)
C04300	Increase in other non-current liabilities	27	18
C04500	Cash dividends paid	(78,156)	(78,156)
C04900	Cost of treasury shares repurchased	(17,161)	-
C05600	Interest paid	(11,885)	(11,322)
CCCC	Net cash used in financing activities	(56,827)	(123,423)
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(23,789)	45,501
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,338	51,033
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	900,014	848,981
E00200	CASH AND CASH EQUIVALENTS AT END OF PERIOD	$909,352	$900,014

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

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

1. HISTORY AND ORGANIZATION

Howtech Technology Co., Ltd. (referred to “the Company”) which was formerly known as Howtech Enterprise Co., Ltd, applied for the change its name to Howtech Technology Co., Ltd. on December 28, 2000, and was incorporated on September 23, 1978. The Company is engaged mainly in trading and agency business in passive electronic components, active electronic components, integrated circuit carrier board equipment, chemicals and raw materials, semiconductors and optical equipment. The Company’s common shares were publicly listed on the Taipei Exchange (TPEx) on March 25, 2004. The Company’s registered office and the main business location is at 6F, No. 25, Section 1, Dunhua South Road, Taipei City, Republic of China (R.O.C.).

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of Howtech Technology Co., Ltd. and subsidiaries (referred to “the Group”) were authorized for issuance by the Board of Directors on March 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, International Accounting Standards Board “IASB” which are not endorsed by FSC, and adopted by the Group as at the end of the reporting period are listed below.

	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
d	Contracts Referencing Nature dependent Electricity –Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation, and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1 , 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1
(2) Amendments to IFRS 7
(3) Amendments to Guidance on implementing IFRS 7
(4) Amendments to IFRS 9
(5) Amendments to IFRS 10
(6) Amendments to IAS 7

(d) Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the requirements for "own use".
(2) When a contract is used as a hedging vehicle, hedging accounting is allowed.
(3) Added note disclosure requirements to help investors understand the impact of such contracts on the financial performance and cash flow of enterprises.

The above amendments are applicable to fiscal years starting after January 1, 2026 and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 and IAS 29	January 1, 2027

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

(a) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replace IAS 1 Presentation of Financial statements. The main changes are as below:

(i) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(ii) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(iii) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative –Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 "Interim Financial Reporting" as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars ("NT$") unless otherwise specified.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(A) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(B) Exposure, or rights, to variable returns from its involvement with the investee, and
(C) The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(A) The contractual arrangement with the other vote holders of the investee
(B) Rights arising from other contractual arrangements
(C) The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries 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.

If the Company loses control of a subsidiary, it:

(A) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(B) Derecognizes the carrying amount of any non-controlling interest;
(C) Recognizes the fair value of the consideration received;
(D) Recognizes the fair value of any investment retained;

(E) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings according to IFRS.
(F) Recognizes any surplus or deficit in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%) , As of December 31, 2025	2024
The Company	GITEH Electronic Industries Co.,Ltd.	Buy and Sale	100%	100%
The Company	HOWTEH INTERNATIONAL INC.	Buy and Sale and Investment	100%	100%
The Company	KunShan HOWTEH International Trading Inc.	Buy and Sale	100%	100%
GITEH Electronic Industries Co.,Ltd.	ShenZhen HOWTEH Technology Co., Ltd.	Buy and Sale	100%	100%
HOWTEH INTERNATIONAL INC.	ShangHai HOWTECH International Trading Inc.	Buy and Sale	100%	100%
HOWTEH INTERNATIONAL INC.	HOWTEH Vietnam Co., Ltd.	Buy and Sale	100%	100%

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollar, which is the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are retranslated at the prevailing functional currency closing rate of exchange. Non-monetary items measured at fair value in a foreign currency are retranslated using the exchange rates at the date when the fair value is determined; and non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising from the settlement or translation of monetary items are taken to profit or loss in the period in which they arise except for the following:

(A) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(B) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(C) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan dollars at the closing rate of exchange prevailing at the balance sheet date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income under exchange differences on translation of foreign operations. On disposal of the foreign operation, cumulative amount of the exchange differences recognized in other comprehensive income under separate component of equity is reclassified from equity to profit or loss when recognizing the disposal gain/loss.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the NCIs in that foreign operation, instead of recognized in profit or loss. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill generated due to acquisition of foreign operation by the group and fair value adjustments made towards the carrying value of foreign operations' assets and liabilities , are regarded as the assets and liabilities which belongs to the foreign operation and is reported in its own functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(A) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(B) The Group holds the asset primarily for the purpose of trading.
(C) The Group expects to realize the asset within twelve months after the reporting period.
(D) The asset is cash or cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.All other assets are classified as non-current.

A liability is classified as current when:

(A) The Group expects to settle the liability in its normal operating cycle.
(B) The Group holds the liability primarily for the purpose of trading.
(C) The liability is due to be settled within twelve months after the reporting period.
(D) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

The Group determines the classification of its financial assets at initial recognition. In accordance with IFRS 9 and the Regulations, financial assets of the Group are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and notes, accounts and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

(A) Financial assets: Recognition and Measurement

Purchase or sale of financial assets is recognized using trade date accounting.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) The Group's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (I) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (II) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable elction to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income are not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

(B) Impairment of financial assets

The Group is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk

(C) Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferre
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(A) In the principal market for the asset or liability, or
(B) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Cost is determined using the weighted-averoge method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	60 years
Machinery and equipment	5 years
Office equipment	3～5 years
Other equipment	3 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	60 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(A) The right to obtain substantially all of the economic benefits from use of the identified asset; and
(B) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components. The relative stand-alone price of lease and nonlease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the implicit interest rate in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(A) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

(C) amounts expected to be payable by the lessee under residual value guarantees
(D) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(E) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(A) the amount of the initial measurement of the lease liability;
(B) any lease payments made at or before the commencement date, less any lease incentives received;
(C) any initial direct costs incurred by the lessee; and
(D) an estimate of costs to be incurred by the lessee in 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.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-ofuse asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, not meeting the recognition criteria, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (5 years).

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cashgenerating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cashgenerating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

The condition for recognition of liability provision is that there is a present obligation (legal or constructive) arising from past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably. When the Group expects that some or all of the liability provision will be realized, it recognizes a separate asset only when realization is virtually certain. When the effect of the time value of money is material, the liability provision is discounted using a current pre-tax rate that appropriately reflects the risks specific to the liability. When discounting liabilities, the increase in the liability due to the passage of time is recognized as borrowing costs.

Guarantee liability provision

The liability provision for warranties is based on the terms of the sales contract and management's best estimate of future economic outflows resulting from warranty obligations (based on historical warranty experience).

(17) Treasury shares

Treasury shares are recognized at cost and deducted from equity when the company repurchases it own equity instruments. Any difference between arising from treasury share transactions is recognized in equity.

(18) Revenue recognition

The Group’s revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Group’s types of revenue are explained as follow:

Sale of goods

The Group sells of its products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is electronic components and equipments and revenue is recognized based on the consideration stated in the contract or the order.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has recevied part of the consideration before transferring the goods to customers. Therefore, the Group has to undertake the obligation of transferring the goods afterwards, these contracts should be presented as contract liabilities.

<u>Providing labor services</u>

The labor services provided by the Group are mainly installation and maintenance services for the high-priced machinery and equipment sold. Depending on the actual needs of customers, the Group recognizes revenue when it transfers the promised labor services to customers and satisfies its performance obligations.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Post-employment benefits

All regular employees of the Company are entitled to pension plans that are managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations and the contribution is expensed as incurred.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
(B) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
(B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized according

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules” introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(1) Judgement

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If these portions could’t be sold separately, the property is classified as investment property only if the part held for own use is insignificant to the individual property.

(b) Operating lease commitment－Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Accounts receivables - estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(b) Inventory valuation

As inventories are valued at the lower of cost and net realization value, the Group must use judgment and estimation to determine the net realization value of inventory at the balance sheet date. Due to rapid technological change, the Group evaluates the amount of inventory at the balance sheet date due to normal wear and tear, obsolescence or no market value and writes the cost of inventory to net realized value. This inventory evaluation is mainly based on the estimated product demand for a specific period in the future and is subject to material changes. Please refer to Note 6 for more details.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. The detailed illustrations of assumptions used to determine the cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans, are further explained in Note 6.

(d) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$409	$339
Checking account deposits	66,531	64,370
Demand deposits	588,541	632,874
Time deposits (Note)	253,871	202,431
Total	$909,352	$900,014

Note: Refers to time deposits with original maturities of 1 to 3 months, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

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

	December 31, 2025	December 31, 2024
Equity instrument investments measured at fair value through other comprehensive income – noncurrent:		
Listed companies' stocks	$216,408	$271,961

The financial assets at fair value through other comprehensive income were not pledged.

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the periods ended 31 December 2025 and 2024 are as follow:

	For the year ended December 31	
	2025	2024
Dividend income related to investments held at the end of the reporting period	$10,779	$11,774

(3) Notes receivable

	December 31, 2025	December 31, 2024
Notes receivables arising from operating activities	$11,305	$1,431
Less: loss allowance	(563)	(32)
Total	$10,742	$1,399

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(14) for more details on loss allowance and Note 12 for details on credit risk.

(4) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts Receivables	$973,256	$901,918
Less: loss allowance	(11,408)	(6,479)
Total	$961,848	$895,439

Accounts receivables were not pledged.

Accounts receivable are generally on 30 to 120 days terms. The total carrying amount as of December 31, 2025 and 2024 were NT$973,256 thousand and NT$901,918 thousand, respectively. Please refer to Note 6(14) for more details on loss allowance of accounts receivables for the periods ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(5) Inventories

(A) Net of inventories include:

	December 31, 2025	December 31, 2024
Merchandise	$249,407	$233,597

(B) Operating costs details recognized by the Group: ：

	For the year ended December 31	
	2025	2024
Cost of inventory sold	$2,717,716	$2,504,327
(Gain) loss on inventory valuation	6,285	(10,912)
Other	553	293
Total	$2,724,554	$2,493,708

The Group's recognition of inventory recovery benefits for the year ended December 31, 2025 and 2024 was due to the gradual removal of substandard products and the recovery in selling prices of some products, which resulted in the disappearance of the factor that the net realizable value of the previous inventory was lower than the cost.

(C) The Group’s inventories were not pledged.

(6) Prepayments

	December 31, 2025	December 31, 2024
Payment in advance	$58,429	$4,521
Other	8,527	6,456
Total	$66,956	$10,977

(7) Property, plant and equipment

	December 31, 2025	December 31, 2024
Owner occupied property, plant and equipment	$107,630	$109,364

	Land	Buildings	Office equipment	Transportation equipment	Other Eqipment	Total
Cost：						
As at January 1, 2025	$89,203	$41,677	$2,635	$2,533	$94	$136,142
Additions	-	-	366	-	-	366
Disposals	-	-	(288)	-	-	(288)
Transfer expenses	-	-	(5)	-	-	(5)
Exchange differences	-	78	5	10	-	93
As at December 31, 2025	$89,203	$41,755	$2,773	$2,543	$94	$136,368
As at January 1, 2024	$89,203	$41,020	$3,745	$1,909	$94	$135,971
Additions	-	-	592	1,121	-	1,713
Disposals	-	-	(1,749)	(573)	-	(2,322)
Exchange differences	-	657	47	76	-	780
As at December 31, 2024	$89,203	$41,677	$2,635	$2,533	$94	$136,142

	Land	Buildings	Office equipment	Transportation equipment	Other Eqipment	Total
Depreciation and impairment：						
As at January 1, 2025	$-	$23,687	$1,568	$1,450	$73	$26,778
Depreciation	-	1,242	627	229	21	2,119
Disposals	-	-	(228)	-	-	(228)
Exchange differences	-	59	4	6	-	69
As at December 31, 2025	$-	$24,988	$1,971	$1,685	$94	$28,738
As at January 1, 2024	$-	$21,991	$2,516	$1,909	$42	$26,458
Depreciation	-	1,226	764	56	31	2,077
Disposals	-	-	(1,749)	(573)	-	(2,322)
Exchange differences	-	470	37	58	-	565
As at December 31, 2024	$-	$23,687	$1,568	$1,450	$73	$26,778
Net carrying amount as of:						
December 31, 2025	$89,203	$16,767	$802	$858	$-	$107,630
December 31, 2024	$89,203	$17,990	$1,067	$1,084	$21	$109,364

The major components of the Group is the main building which is depreciated over 60 years,

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(8) Investment property

The Group's investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms of between 7 and 8 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost：			
At January 1, 2025	$6,816	$4,249	$11,065
Additions from subsequent expenditure	-	188	188
Disposals	(10)	(92)	(102)
Joint construction and other settlement	(4,594)	7	(4,587)
At December 31, 2025	$2,212	$4,352	$6,564
At January 1, 2024	$6,816	$4,249	$11,065
Additions from subsequent expenditure	-	-	-
At December 31, 2024	$6,816	$4,249	$11,065

	Land	Buildings	Total
Depreciation and impairment：			
At January 1, 2025	$-	$2,628	$2,628
Depreciation	-	112	112
At December 31, 2025	$-	$2,740	$2,740
At January 1, 2024	$-	$2,517	$2,517
Depreciation	-	111	111
At December 31, 2024	$-	$2,628	$2,628
Net carrying amount as of：			
December 31, 2025	$2,212	$1,612	$3,824
December 31, 2024	$6,816	$1,621	$8,437

	For the year ended December 31	
	2025	2024
Rental income from investment property	$2,957	$2,316
Less: Direct operating expenses from investment property generating rental income	(152)	(153)
Non-direct operating expenses from investment property generating rental income	(16)	-
Total	$2,789	$2,163

The Group's investment properties were not pledged during the period.

Investment properties held by the Group are not measured at fair value; however, their fair values are disclosed. The fair value measurements of the investment properties are categorized within Level 3 of the fair value hierarchy.

Investment properties held by the Group are mainly located in Zhongshan area and Nangang districts of Taipei City. The fair value of investment properties was NT$151,445 thousand based on the valuation performed by an independent appraiser in the first quarter of 2013. The valuation methods used are Comparative approach and Income Capitalization approach and Comparative approach and Land Development Analysis approach. By considering the nature of the subject property, condition of use, development scope and the credibility of the baseline data, the price per square feet is estimated using a weighted average calculated according to one of the two methods listed below:

(a) 60% Comparative approach + 40% Income Capitalization approach
(b) 40% Comparative approach + 60% Land Development Analysis approach.

Calculations used within the valuation methods:

(A) The main evaluation parameter used in the comparative approach is derived from investigating and analyzing the transaction cases of properties located near the subject property.
(B) The main parameter in the income capitalization approach is the price per square foot, calculated based on the annual rental income obtained through market surveys, and then capitalized at a rate of 1.85%.
(C) The land development analysis approach involves estimating the reasonable acquisition cost of the development land.

Considering that the income capitalization rate in the domestic real estate market during the most recent year is comparable to the valuation dates mentioned above, the Group has adopted the valuation results and the recent real estate market data as the fair value of investment properties as of each financial reporting cut-off date.

The Group conducted the estimation of of the investment property on December 31, 2025 and December 31, 2024, respectively. The valuation results were based on actual transaction prices for each respective year and market prices of similar nearby properties, including data from the Ministry of the Interior's Actual Price Registration System and major real estate brokerage websites. These valuations were consistent with the aforementioned appraisal results.

In March 2019, the board of directors of our group approved a joint housing project with Chang Hong Construction Co., Ltd. on part of the land in Yucheng section of Nangang District. Our group provided the land and Chang Hong Construction Co., Ltd. was responsible for the construction. The transfer of land and housing ownership was completed in October 2024. According to the IFRS FAQ "Questions about the Accounting Treatment of Jointly Built Houses" published by the Accounting Research and Development Foundation on July 25, 2019, the accounting treatment of the houses and land shares exchanged by the landowner in accordance with the agreed proportion after the completion of the joint construction is that if the landowner intends to sell the land, the land exchange transaction is an exchange for the future real estate sales, so the real estate exchange should be considered together with the subsequent real estate sales. The Group received a total of NT$4,587 thousand in compensation from the construction company during the land swap. In accordance with the above provisions, the Group intends to sell the acquired properties and will only recognize the related disposal gains when they are sold to third parties in the future.

The Group entered into a real estate sale and purchase agreement with an individual on May 14, 2025, for the disposal of one residential unit obtained through a joint construction and housing exchange arrangement with a property developer, which was classified as investment property—land and building. The total contractual consideration amounted to NT$82,493 thousand. In August 2025, the Group completed the property inspection, title transfer, and other relevant statutory registration procedures with the individual. Upon disposal of the above investment property, the Group recognized a net gain on disposal of NT$82,391 thousand after deducting related costs and expenses.

(9) Intangible assets

	Cost of Computer Software
Cost：	
As at January 1, 2025	$1,185
Additions	930
Disposals	-
As at December 31, 2025	$2,115
As at January 1, 2024	$1,633
Additions	-
Disposals	(448)
As at December 31, 2024	$1,185
Amortization and impairment：	
As at January 1, 2025	$632
Amortization	676
Disposals	-
As at December 31, 2025	$1,308
As at January 1, 2024	$793
Amortization	287
Disposals	(448)
As at December 31, 2024	$632
Net carrying amount as at：	
As at December 31, 2025	$807
As at December 31, 2024	$553

Amounts of amortization recognized under the statement of comprehensive income are as follows:

	For the year ended December 31	
	2025	2024
Selling expense	$172	$160
Administrative expense	504	127
Total	$676	$287

(10) Short-term borrowings

	For the year ended December 31	
	2025	2024
Unsecured bank loans	$443,000	$398,000
Secured bank loans	192,000	174,000
Total	$635,000	$572,000

The Group’s annual interest rates for unsecured bank loans are 1.980%~2.012% and 1.900%~2.120%, as at December 31, 2025, and December 31, 2024, respectively.

The Group’s annual interest rate for secured bank loans are 1.835% and 1.835%, as at December 31, 2025, and December 31, 2024, respectively.

The Group’s unused short-term lines of credits amount to NT$1,055,840 thousand, and NT$1,101,570 thousand, as at December 31, 2025, and December 31, 2024, respectively.

Please refer to Note 8 for more details on assets pledged as collaterals.

(11) Post-employment benefits

Defined contribution plan

The labor pension regulations of the Group were established according to the Enforcement rules of the labor pension act and is recognized as defined contriution plan. The monthly contribution rate of the labor pension borne by the Company shall not be less than 6% of the employee's monthly salary. By following the labor pension regulations which was established in accordance with the Enforcement rules of the labor pension act, the Company has allocated 6% of the employee's salary to the individual pension account of the Labour Insurance Board monthly.

Other overseas subsidiaries of the Group contributed pension under local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT$4,546 thousand and NT$7,473 thousand, respectively.

Defined benefit plan

The defined benefit plan of the Group’s Employee Retirement Plan is regulated according to the Labor Standards Act. 2. Retirement benefits are based on such factors as the employee’s length of service and final pensionable salary. In accordance with the Act, 2 bases are given for each full year on the first 15 years of service and 1 base is given for each full year after 15 years of service. The total bases given shall not exceed 45. Under the retirement plan, the Company contributes monthly an amount equal to 5% of gross salary to the pension reserve fund, which is deposited into a designated depository account with the Bank of Taiwan. At the end of each year, if the balance in the designated labor pension reserve funds is inadequate to cover the benefit estimated to be paid in the following year, the Company should make up the difference in 1 appropriation before the end of March in the following year.

Safeguard and Utilization of the Labor Retirement Fund is regulated by the Ministry of Labor. Investment of the fund is made by outsourcing and self-management. A long-term investment strategy is adopted with both initiative and passive approach. Considering market risk, creditability and liquidity etc., the Ministry of labor has set limit for fund risk and risk management plan so that the target rate of return can be reached without excess exposure to risk. Because the Company is not authorized to manage the Fund, it cannot disclose the classification of the fair value of the plan asset according to IAS 19. As of December 31, 2025, the amount of contribution expected to be made in the following accounting year was NT$60 thousand.

As of December 31, 2025 and 2024, the Company's definite benefit plans are expected to expire in the year ended 2035 and 2034.

Pension costs recognized in profit or loss for the years ended December 31, 2025 and 2024:

	For the year ended December 31	
	2025	2024
Current period service costs	$-	$-
Net Interest of Net defined benefit	(170)	(68)
Settlements from the plan	(170)	(68)
Others	(925)	128
Total pension costs recognized in profit or loss	$(1,095)	$60

Reconcilation of present value of defined benefit obligation and fair value of plan assets are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Present value of defined benefit obligation	$6,592	$6,361	$15,664
Fair value of plan assets	(18,888)	(16,972)	(20,859)
Funding circumstance	(12,296)	(10,611)	(5,195)
Unadjusted amount on account	-	925	797
Other non-current assets, other – Net defined benefit liability (asset) on the consolidated balance sheets	$(12,296)	$(9,686)	$(4,398)

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at January 1, 2024	$15,664	$(20,859)	$(5,195)
Current period service costs	-	-	-
Interest expense (income)	204	(272)	(68)
Subtotal	204	(272)	(68)
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	293	(1,819)	(1,526)
Experience adjustments	(3,762)	-	(3,762)
Subtotal	(3,469)	(1,819)	(5,288)
Benefits paid	(6,038)	6,038	-
Contributions by employer	-	(60)	(60)
As at December 31, 2024	6,361	(16,972)	(10,611)
Current period service costs	-	-	-
Interest expense (income)	102	(272)	(170)
Subtotal	102	(272)	(170)
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	162	(1,584)	(1,422)
Experience adjustments	(33)	-	(33)
Subtotal	(129)	(1,584)	(1,455)
Benefits paid	-	-	-
Contributions by employer	-	(60)	(60)
As at December 31, 2025	$6,592	$(18,888)	$(12,296)

The following main actuarial assumptions are used to determine the present value of the defined benefit obligation:

	December 31, 2025	December 31, 2024
Discount rate	1.300%	1.600%
Expected salary growth rate	2.250%	2.250%

A sensitivity analysis for significant assumption as at December 31, 2025 and 2024 is, as shown below:

	For the year ended December 31			
	2025		2024	
	Increase of defined benefit obligation	Decrease of defined benefit obligation	Increase of defined benefit obligation	Decrease of defined benefit obligation
Discount rate increase by0.25%	$-	$138	$-	$143
Discount rate decrease by0.25%	142	-	147	-
Expected salary increase by 0.25%	137	-	142	-
Expected salary decrease by 0.25%	-	134	-	139

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(12) Equity

(A) Common stock

As of December 31, 2025 and 2024, the Company's authorized capital was 800,000 thousand shares, with a par value of NT$10 per share. The issued and outstanding capital consisted of 65,310 thousand shares, equivalent to NT$651,298 thousand in paid-in capital. Each common share entitles the holder to one voting right and the right to receive dividends.

(B) Capital surplus

	December 31, 2025	December 31, 2024
Additional paid-in capital	$45,647	$45,647
Gain on disposal of assets	834	834
Employee stock option	5,581	5,581
Total	$52,062	$52,062

According to the Company Act, capital surplus may not be used for any purpose other than to offset the Company's accumulated deficit. When there is no accumulated deficit, the capital surplus arising from the issuance of shares in excess of par value or from donations received may be capitalized each year up to a certain percentage of paid-in capital, as prescribed by regulations. Such capital surplus may also be distributed in cash to shareholders in proportion to their shareholding.

(C) Treasury shares

On August 13, 2025, the Board of Directors of the Company approved a resolution to repurchase 700 thousand shares for the purpose of transferring them to employees to incentivize and retain outstanding employees. As of December 31, 2025 and 2024, the carrying amount of the Company's treasury shares was NT$17,161 thousand and NT$0 thousand, respectively. The number of treasury shares held was 700 thousand shares and 0 thousand shares, respectively.The relevant information regarding changes in the amount and number of treasury shares holdings is as follows:

	Treasury shares repurchased amount	Transferred to employees amount	Amount as of December 31, 2025
On August 13, 2025	$17,161	$-	$17,161

	Treasury shares repurchased quantity (thousand shares)	Transferred to employees quantity (thousand shares)	Cumulative quantity as of December 31, 2025(thousand shares)
On August 13, 2025	$700	$-	$700

(D) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, earnings for the current year, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' accumulated losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, shall be distributed by the Board of Directors (At least 30% of the unappropriated retained earnings shall be distributed) and resolved in the shareholders' meeting. Of the total dividends distributed to shareholders, cash dividends shall not be less than 20% nor exceed 100%, and any remaining portion shall be distributed in the form of stock dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company has no accumulated deficit, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. The amount for Special reserve appropriated as of December 31, 2025 and 2024 are NT$3,340 thousand.

Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the board of directors’ meeting and shareholders’ meeting on March 11, 2026 and June 19, 2025, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$14,536	$12,120		
Common stock -cash dividend	64,820	78,156	$1.4	$1.2
Common stock -stock dividend	25,928	-	$0.4	-
Total	$105,284	$90,726		

Please refer to Note 6(16) for details on employees’ compensation and remuneration to directors and supervisors.

(13) Operating revenue

	For the year ended December 31	
	2025	2024
Revenue from contracts with customers		
Sale of goods	$3,012,489	$2,764,252
Revenue arising from rendering of services	1,495	667
Total	$3,013,984	$2,764,919

Analysis of revenue from contracts with customers during the 2025 and 2024 are as follows:

(A) Disaggregation of revenue

For 2025

	Taiwan Dept.	Republic of China and Southeast Asia Dept.	Group Total
Sales of goods	$2,134,802	$877,687	$3,012,489
Service revenues	1,495	-	1,495
Total	$2,136,297	$877,687	$3,013,984
Timing of revenue recognition:			
At a point in time	$2,136,297	$877,687	$3,013,984

For 2024

	Taiwan Dept.	Republic of China and Southeast Asia Dept.	Group Total
Sales of goods	$1,896,610	$867,642	$2,764,252
Service revenues	667	-	667
Total	$1,897,277	$867,642	$2,764,919
Timing of revenue recognition：			
At a point in time	$1,897,277	$867,642	$2,764,919

(B) Contract balances

Contract liabilities - current

	December 31, 2025	December 31, 2024	January 1, 2024
Sales of goods	$58,670	$55,032	$1,901

The significant changes in the Group's balances of contract liabilities for 2025 and 2024 are as follows:

	For the year ended December 31	
	2025	2024
The opening balance transferred to revenue	$(54,814)	$(1,852)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	58,423	54,962
Exchange differences	29	21

(14) Expected credit losses (reversal of credit loss)

	For the year ended December 31	
	2025	2024
Operating expenses –(reversal of credit loss) expected credit loss		
Accounts receivable	$5,559	$(8,376)

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance for receivables (including notes and accounts receivable) based on lifetime expected credit losses. As of December 31, 2025 and 2024, the related explanations of the assessed loss allowance are as follows:

Based on the Group's historical credit loss experience, there are no significant differences in loss patterns among different customer groups. Therefore, the Group does not distinguish between customer segments when measuring the allowance, and applies a provision matrix approach to assess expected credit losses. Details are as follows:

As of December 31, 2025

	Aging schedule					
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	Total
Notes receivable	$4,997	$6,308	$-	$-	$-	$11,305
Accounts receivable	698,050	170,164	91,421	12,913	708	973,256
Carrying amount	$703,047	$176,472	$91,421	$12,913	$708	$984,561
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(249)	(3,212)	(5,368)	(2,678)	(464)	(11,971)
Total	$702,798	$173,260	$86,053	$10,235	$244	$972,590

As of December 31, 2024

	Aging schedule					
	<=90 days	91-120 days	121-150 days	151-180 days	>=181 days	Total
Notes receivable	$1,431	$-	$-	$-	$-	$1,431
Accounts receivable	696,140	144,847	58,205	1,674	1,052	901,918
Carrying amount	$697,571	$144,847	$58,205	$1,674	$1,052	$903,349
Loss ratio	0~5%	0~2%	0~7%	0~27%	0~100%	
Lifetime expected credit losses	(32)	(2,349)	(3,367)	(81)	(682)	(6,511)
Total	$697,539	$142,498	$54,838	$1,593	$370	$896,838

The movements in the allowance for impairment of notes receivable and accounts receivable during the periods ended December 31, 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable	Total
As at January 1, 2025	$32	$6,479	$6,511
Addition for the current period	530	5,029	5,559
Write-off due to irrecoverability	-	(87)	(87)
Exchange differences	1	(13)	(12)
As at December 31, 20245	$563	$11,408	$11,971
Bal. as at January 1, 2024	$-	$17,874	$17,874
Addition/(reversal) for the current period	32	(8,408)	(8,376)
Write-off due to irrecoverability	-	(3,076)	(3,076)
Exchange differences	-	89	89
As at December 31, 2024	$32	$6,479	$6,511

(15) Leases

(A) Group as a lessee

The Group leases assets including real estate (land 、buildings and structures) and movable property (transportation equipment). The lease terms range from 2 to 4 years.

The effects of leases on the Group’s consolidated financial position, financial performance, and cash flows are as follows:

A. Amounts recognized in the balance sheet

(a) Assets

The carrying amount of right-of-use assets

	December 31, 2025	December 31, 2024
Buildings	$11,875	$8,837
Transportation equipment	532	2,130
Total	$12,407	$10,967

During the periods ended December 31, 2025 and 2024, the Group's additions to right-of-use assets of the group amounting to NT$13,205 thousand and NT$1,878 thousand, respectively.

(b) Lease liabilities

	December 31, 2025	December 31, 2024
Lease liabilities	$12,068	$11,044
Current	$6,711	$10,249
Non-current	$5,357	$795

Please refer to Note 6(17)(D) for the interest on lease liabilities recognized during 2025 and 2024 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31	
	2025	2024
Buildings	$9,843	$9,609
Transportation equipment	1,533	1,597
	$11,376	$11,206

C. Income and costs relating to leasing activities

	For the year ended December 31	
	2025	2024
The expenses relating to short-term leases	$6,719	$7,360
Gain on lease modification	(3)	-
Total	$6,716	$7,360

D. Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases amounting to NT$19,371 thousand and NT$20,531 thousand, respectively.

E. Other information relating to leasing activities

(a) Variable lease payments

Some of the Group's printer rental agreements contain variable payment terms that are linked to certain percentages of the usage amount generated from the leased printer, which is very common in the industry of the Group.

As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

(b) Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(B) Group as lessor

Please refer to Note 6(8) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31	
	2025	2024
Lease income for operating leases		
Income realting to fixed lease payments and variable lease payments that depend on an index or a rate	$2,957	$2,316

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Not later than one year	$1,477	$2,957
Later than one year but not later than two years	-	1,231
Total	$1,477	$4,188

(16) Summary statement of employee benefits, depreciation and amortization is as follows:

Capability / Nature	For the years ended December 31					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense						
Salaries	$-	$94,661	$94,661	$-	$95,266	$95,266
Labor and health insurance	-	6,265	6,265	-	6,319	6,319
Pension	-	3,451	3,451	-	7,533	7,533
Other employee benefits expense	-	6,253	6,253	-	10,484	10,484
Depreciation	-	13,607	13,607	-	13,394	13,394
Amortization	-	676	676	-	287	287

In accordance with the Company's Articles of Incorporation, the Company shall allocate no less than 3% of annual profit as employee remuneration (The amount of employee remuneration for this item, no less than 20% should be allocated for the distribution of remuneration to grassroots employees), and no more than 5% as remuneration to directors. In the event of an accumulated deficit, the amount shall first be reserved to offset the deficit. Employee remuneration may be distributed in the form of shares or cash, as resolved by the Board of Directors with the attendance of at least two-thirds of all directors and approval by a majority of directors present. Such resolutions shall be reported to the shareholders' meeting. Information regarding the Board's resolution on the remuneration to employees and directors is available through the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

Based on the profit of the year ended December 31, 2025, the Company recognized the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2025 amounted to NT$5,600 thousand and NT$5,975 thousand, respectively. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. Differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors are recognized in profit or loss of the subsequent year.

On March 11, 2026, the Board of Directors resolved to distribute NT$5,600 thousand and NT$6,000 thousand in cash to employees and directors as remuneration for fiscal year 2025. The difference of NT$25 thousand in the expense itemized amount in the 2025 financial statements was recognized in profit or loss in the 2026.

On March 12, 2025, the Board of Directors resolved to distribute NT$4,500 thousand in cash each to employees and directors as remuneration for fiscal year 2024. The distributed amounts were consistent with those previously accrued in the 2024 financial statements.

(17) Non-operating income and expenses

(A) Interest income

	For the year ended December 31	
	2025	2024
Interest income		
Financial assets at amortized cost	$13,138	$11,909

(B) Other income

	For the year ended December 31	
	2025	2024
Compensation income	$225	$1,782
Dividend income	10,779	11,774
Rental income	2,967	2,326
Others	2,945	996
Total	$16,916	$16,878

(C) Other gains and losses

	For the year ended December 31	
	2025	2024
Foreign exchange gains (losses), net	$(15,856)	$55,127
Gain on disposal of investments	82,391	-
Lease modification	3	-
Other losses- Other	(1,493)	(409)
Total	$65,045	$54,718

(D) Finance costs

	For the year ended December 31	
	2025	2024
Interests on borrowings from bank	$(11,885)	$(11,322)
Interests on lease liabilities	(333)	(644)
Total	$(12,218)	$(11,966)

(18)Components of other comprehensive income

Period ended December 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss：					
Remeasurements of defined benefit plans	$1,455	$-	$1,455	$(291)	$1,164
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	(55,553)	-	(55,553)	-	(55,553)
Items that may be reclassified subsequently to profit or loss：					
Exchange differences arising from translation of foreign operations	(24,295)	-	(24,295)	-	(24,295)
Total	$(78,393)	$-	$(78,393)	$(291)	$(78,684)

Period ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss：					
Remeasurements of defined benefit plans	$5,288	$-	$5,288	$(1,058)	$4,230
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	(26,947)	-	(26,947)	-	(26,947)
Items that may be reclassified subsequently to profit or loss：					
Exchange differences arising from translation of foreign operations	45,835	-	45,835	-	45,835
Total	$24,176	$-	$24,176	$(1,058)	$23,118

(19) Income tax

(A) The major components of income tax expense (benefit) for the years ended December 31, 2025 and 2024 are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the year ended December 31	
	2025	2024
Current income tax expense (benefit):		
Current income tax charge	$11,324	$12,842
Adjustments in respect of current income tax of prior periods	4,729	666
Land value increment tax	4,592	-
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of emporary differences	(298)	11,296
Temporary differences not recognized in previous years are recognized in this period	9,948	3,600
Total	$30,295	$28,404

Income tax relating to components of other comprehensive income

	For the year ended December 31	
	2025	2024
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$291	$1,058
Income tax relating to components of other comprehensive income	$291	$1,058

(B) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31	
	2025	2024
Accounting profit (loss) before tax from continuing operations	$174,488	$145,369
Tax at the domestic rates applicable to profits in the country concerned	$34,898	$32,689
Tax effect of revenues exempt from taxation	(14,626)	(2,355)
Land value increment tax	4,592	-
Tax effect of deferred tax assets liabilities	(844)	(3,235)
Corporate income surtax on undistributed retained earnings	1,546	639
Adjustments in respect of current income tax of prior periods	4,729	666
Total	$30,295	$28,404

(C) Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025

	Beginning balance as at Jan 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Exchange rate differences	Ending balance as at Dec 31, 2025
Temporary differences					
Deferred tax assets					
Depreciation difference for tax purpose	$16	$-	$-	$58	$74
Unrealized loss on inventory	4,251	46	-	-	4,297
Unrealized gains(losses) between associated companies	78	15	-	-	93
Excess amount of pension expenses	18	-	-	-	18
Net unrealized exchange loss	488	(98)	-	-	390
Excess amount of allowance for accounts receivable	-	567	-	-	567
Deferred tax liabilities					
Investment income –Equity investment	(3,600)	(9,948)	-	-	(13,548)
Non-current liability – Defined benefit	(2,521)	-	(291)	-	(2,812)
Net unrealized exchange gain	(4,556)	(232)	-	-	(4,788)
Deferred tax income/ (expense)		$(9,650)	$(291)	$58	
Net deferred tax assets/(liabilities)	$(5,826)				$(15,709)
Reflected in balance sheet as follows:					
Deferred tax assets	$4,851				$5,439
Deferred tax liabilities	$(10,677)				$(21,148)

For the year ended December 31, 2024

	Beginning balance as at Jan 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Exchange rate differences	Ending balance as at Dec 31, 2024
Temporary differences					
Deferred tax assets					
Depreciation difference for tax purpose	$14	$-	$-	$2	$16
Unrealized loss on inventory	6,249	(1,998)	-	-	4,251
Unrealized gains(losses) between associated companies	207	(129)	-	-	78
Excess amount of pension expenses	18	-	-	-	18
Net unrealized exchange loss	5,654	(5,166)	-	-	488
Excess amount of allowance for accounts receivable	1,393	(1,393)	-	-	-
Deferred tax liabilities					
Investment income –Equity investment	-	(3,600)	-	-	(3,600)
Non-current liability – Defined benefit	(1,463)	-	(1,058)	-	(2,521)
Net unrealized exchange gain	(1,946)	(2,610)	-	-	(4,556)
Deferred tax income/ (expense)		$(14,896)	$(1,058)	$2	
Net deferred tax assets/(liabilities)	$10,126				$(5,826)
Reflected in balance sheet as follows:					
Deferred tax assets	$13,535				$4,851
Deferred tax liabilities	$(3,409)				$(10,677)

(D) Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future, therefore the group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, and the deferred tax profit generated by the exchange differences on translation of foreign financial statements which is generated by the subsidiaries also will should not be recognized. As at December 31, 2025, deferred tax liabilities which have not been recognized, aggregate to NT$631,263 thousand.

(E) The assessment of income tax returns

The Company's income tax returns through the year 2023 have been assessed and approved by the Tax Authority. Our overseas subsidiaries are subject to foreign tax jurisdiction and have all filed income tax returns in accordance with applicable tax laws.

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the year ended December 31	
	2025	2024
(A) Basic earnings per share		
Profit attributable to the parent company (in thousand NT$)	$144,193	$116,965
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	64,906	65,130
Basic earnings per share (NT$)	$2.22	$1.80

(B) Diluted earnings per share

Profit attributable to the parent company (in thousand NT$)	$144,193	$116,965
Profit attributable to the parent company after dilution (in thousand NT$)	$144,193	$116,965
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	64,906	65,130
Effect of dilution:		
Employee compensation－stock (in thousands)	241	212
Weighted average number of ordinary shares outstanding after dilution (in thousands)	65,247	65,342
Diluted earnings per share (NT$)	$2.21	$1.79

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

Information on the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Tailyn Technologies, Inc.	Substantive related party

Significant related party transactions

(1) Sales revenue

	For the year ended December 31	
	2025	2024
Substantive related party		
Tailyn Technologies, Inc.	$576	$341

The sales price to the above related parties was determined through mutual agreement based on the market conditions. The collection periods for sales to related parties and to third parties were all month-end 30 to 120 days. The outstanding balances as of December 31, 2025 and 2024 were unsecured, non-interest bearing and to be settled in cash. The receivables from the related parties were not guaranteed.

(2) Accounts receivable

	December 31, 2025	December 31, 2024
Substantive related party		
Tailyn Technologies, Inc.	$250	$118

(3) Refundable deposit

	December 31, 2025	December 31, 2024
Substantive related party		
Tailyn Technologies, Inc.	$54	$54

(4) Other payables

	December 31, 2025	December 31, 2024
Substantive related party		
Tailyn Technologies, Inc.	$27	$23

(5) Lease - related parties

Lease payments

	For the year ended December 31	
	2025	2024
Substantive related party		
Tailyn Technologies, Inc.	$363	$363

The rental prices and collection terms charged to the above related parties are not much different from third parties. The mutual agreement of rental prices is determined by local market conditions, and is based on the location, floors and scopes of the lease.

(6) Key management personnel compensation

	For the year ended December 31	
	2025	2024
Short-term employee benefits	$23,057	$22,975
Post-employment benefits	210	3,232
Total	$25,201	$26,207

8. PLEDGED ASSETS

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

Items	Carrying amount December 31, 2025	Carrying amount December 31, 2024	Secured liabilities
Property, plant and equipment - land	$89,074	$89,074	Short-term bank loan
Property, plant and equipment - buildings	12,422	12,782	Short-term bank loan
Total	$101,496	$101,856	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Company has signed an agency contract with Company S to sell Company S's products, and the Company shall pay the agency deposit to Company S as a performance guarantee according to the contract. As of December 31, 2025, the Company has provided US$1.5 million as a performance bond, which amounted to approximately NT$47,130 thousand and is accounted under Refundable deposits paid.

(2) Endorsement

Based on business needs, endorsement and guarantee amounted to US$3,300 thousand by the Group as of December 31, 2025. Please refer to Attached Table 2.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	December 31, 2025	December 31, 2024
Financial assets at fair value through other comprehensive income	$216,408	$271,961
Financial assets measured at amortized cost (Note)	1,937,737	1,855,095
Total	$2,154,145	$2,127,056

Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities at amortized cost:		
Short-term borrowings	$635,000	$572,000
Notes payable and accounts payable	214,625	171,545
Other payables	87,780	93,841
Lease liabilities(including noncurrent)	12,068	11,044
Guarantee deposits	517	517
Total	$949,990	$848,947

Note: Including cash and cash equivalents (excluding cash on hand), notes receivable, accounts receivable, other receivables and refundable deposits.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rare for a single risk variable to change independently, as changes in risk variables are often interrelated. However, the sensitivity analyses presented below do not consider the interdependencies between these variables.

Foreign currency risk

The Group's exposure to foreign currency risk arises primarily from its operating activities (when revenue or expenses are denominated in a currency different from the Group's functional currency) and from its net investments in foreign operations.

Some of the Group's foreign currency receivables and payables are denominated in the same currency, resulting in a natural hedge. For other exposures, the Group uses forward exchange contracts to manage foreign currency risk. However, hedge accounting is not applied as the hedging relationships do not qualify under the accounting standards. In addition, the Group's net investments in foreign operations are considered strategic and are therefore not hedged.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency A and foreign currency B. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens against USD by 1%, the profit for the years ended December 31, 2025 and 2024 would decrease by NT$12,002 thousand and NT$12,219 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to decrease by NT$375 thousand and NT$375 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As of December 31,2025 and 2024, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$10,820 thousand and NT$13,598 thousand on the equity attributable to the Group for the years ended December 31, 2025 and 2024, respectively.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for account and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2025 and 2024, the credit concentration risk of accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group uses IFRS 9 to evaluate the expected credit losses, receivables are measured as allowance losses over the life of expected credit losses, the remainder are not investments in debt instruments measured at fair value through profit or loss, and their original purchase is based on the assumption of low credit risk, and whether credit risk has increased significantly since the original recognition at each balance sheet date to determine the method of measuring the allowance loss and its loss rate. The debt instrument mentioned above that are not measured at fair value through profit and loss are cash and cash equivalents (excluding cash on hand), and their carrying amount as of September 30, 2025 and 2024 were NT$965,055 thousand and NT$958,166 thousand, respectively, and the loss rates were both 0%.

In addition, the Group also writes off financial assets when it evaluates that it cannot reasonably be expected to recover financial assets (e.g. significant financial difficulties of the issuer or debtor, or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

<u>Non-derivative financial liabilities</u>

	Less than 1 year	1 to 3 years	4 to 5 years	>5 years	Total
As of December 31, 2025					
Short-term borrowings (estimated interests to be paid included)	$635,353	$-	$-	$-	$635,353
Lease liabilities (Non-current included)	7,154	5,481	-	-	12,635
Payables	214,625	-	-	-	214,625
Other payables	87,780	-	-	-	87,780
Guarantee deposits	517	-	-	-	517
As of December 31, 2024					
Short-term borrowings (estimated interests to be paid included)	$572,280	$-	$-	$-	$572,280
Lease liabilities (Non-current included)	10,471	799	-	-	11,270
Payables	171,545	-	-	-	171,545
Other payables	93,841	-	-	-	93,841
Guarantee deposits	517	-	-	-	517

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2025:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At Jan 1, 2025	$572,000	$517	$11,044	$583,561
Cash flows	63,000	-	(12,652)	50,348
Non-cash changes	-	-	13,676	13,676
At Dec 31, 2025	$635,000	$517	$12,068	$647,585

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Guarantee deposits	Leases liabilities	Total liabilities from financing activities
At Jan 1, 2024	$590,000	$3,309	$21,033	$614,342
Cash flows	(18,000)	(2,792)	(13,171)	(33,963)
Non-cash changes	-	-	3,182	3,182
At Dec 31, 2024	$572,000	$517	$11,044	$583,561

(7) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. The fair value of other financial assets and financial liabilities is determined on the basis of discounted cash flow analysis, and their interest rates and discount rates are mainly based on information related to similar instruments, yield curves applicable over the life of the period, etc.

(B) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

At December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	$216,408	$-	$-	$216,408

At December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	$271,961	$-	$-	$271,961

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value measurements in Level 3 of the fair value hierarchy for movements

As of December 31, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed. Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy.

Evaluation process for Level 3 fair value measurement

As of December 31, 2025 and 2024, there were no financial assets that are measured at fair value within Level 3. Therefore the valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy isn't needed.

(C) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	$-	$-	$151,445	$151,445

As at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment properties (please refer to Note 6)	$-	$-	$151,445	$151,445

(9) Significant financial assets and liabilities denominated in foreign currencies

The significant financial assets and liabilities denominated in foreign currencies were as follow:

Amounts expressed in thousand

	December 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$44,619	31.42	$1,401,922
Financial liabilities			
Monetary items:			
USD	$6,420	31.42	$201,730

	December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$42,085	32.785	$1,379,747
Financial liabilities			
Monetary items:			
USD	$4,816	32.785	$157,890

Since the Group's entities have different functional currencies, it is not feasible to disclose the foreign exchange gains or losses on monetary financial assets and liabilities by each significant foreign currency. The Group's net foreign currency exchange (loss) gain for the year ended December 31, 2025 and 2024 amounted to NT$(15,856) thousand and NT$55,127 thousand, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure the maintenance of a strong credit rating and sound capital ratios to support its operations and maximize shareholder value. In response to economic conditions, the Group may maintain or adjust its capital structure by adjusting dividend distributions, returning capital to shareholders, or issuing new shares.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

(A) Financing provided to others: None.
(B) Endorsement/Guarantees provided to others: Please refer to Attachment 2.
(C) Securities on held at the end of the period：Please refer to Attachment 3.
(D) Related parties transactions for purchases and sales amount exceeding NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
(E) Receivables from related parties with amount exceeding NT$100 million or 20 percent of the capital stock: None.
(F) Others: The business relationships and important transactions between the parent company and the subsidiaries, and amongsubsidiaries, along with their respective amounts are detailed in Attachment 5.

(2) Information on investees

(A) Disclose its name, location, main business activities, initial investment amount, shareholding at the end of the period, profit and loss for the period, and recognized investment gains and losses about the investee company that direct or indirect has significant influence or control over the investee company: Please refer to Attachment 6 and 7.

(B) Disclose relevant information regarding the investee company as described in points (1) to (6) above that has significant influence or control over the investee company, directly or indirectly：Please refer to Attachment 1 and 4.

(3) Information on investments in Mainland China

(A) Investee company name, main businesses and products, total amount of capital, investment method, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment profit and loss, carry amount of investment at the end of the period, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7.

(B) Directly or indirectly significant transactions with investee in Mainland China through third regions and the price, payment terms, unrealized profit or loss: Please refer to Attachment 1 and 5.

14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

(1) Taiwan Segment：The segment is mainly responsible for the agency sales of electronic components and process equipments in Taiwan.
(2) China and South East Asia segment：The segment is mainly responsible for the distribution of electronic components in Eastern and Southern China (including Hong Kong) and Vietnam.

The China and Southeast Asia segment are the aggregation of the operating departments of the subsidiary in Eastern and Southern China and Vietnam. Since the Eastern and Southern China operating departments both focus on providing agency sales of the same electronic components and have similar economic characteristics, they have been aggregated into a single operating department along with the Vietnam operateing department.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss before tax. There was no material difference between the accounting policies of the operating segment and those described in Note 4. However, income taxes are managed at a group level and are not allocated to operating segments.

Transfer prices between operating segments is based on regular transactions similar to those with external third parties.

Year ended December 31, 2025

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	$2,136,297	$877,687	$3,013,984	$-	$3,013,984
Inter-segment	223,622	361,179	584,801	(584,801)	-
Total revenue	$2,359,919	$1,238,866	$3,598,785	$(584,801)	$3,013,984
Segment profit	$170,241	$58,211	$228,452	$(53,964)	$174,488

Year ended December 31, 2024

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination (Note)	Consolidated
External customer	$1,897,277	$867,642	$2,764,919	$-	$2,764,919
Inter-segmet	195,727	384,213	579,940	(579,940)	-
Total revenue	$2,093,004	$1,251,855	$3,344,859	$(579,940)	$2,764,919
Segment profit	$139,171	$40,374	$179,545	$(34,176)	$145,369

Note: Inter-segment revenue is excluded at the time of consolidation, and reflected under "Reconciliation and Elimination", and all other reconciliations and removals are disclosed separately in furthur details.

The following table presents segment assets of the Group’s operating segments as December 31, 2025 and 2024:

Assets of the Group’s operating segments

	Taiwan Segment	China and Southeast Asia segment	Subtotal	Adjustment and elimination	Consolidated
December 31, 2025	$2,759,482	$885,640	$3,645,122	$(1,027,295)	$2,617,827
December 31, 2024	$2,688,084	$783,331	$3,471,415	$(946,590)	$2,524,825

Liabilities of the Group’s operating segments

	Taiwan Segment	China and Southeast Asia	Subtotal	Adjustment and elimination	Consolidated
December 31, 2025	$1,000,700	$224,146	$1,224,846	$(186,007)	$1,038,839
December 31, 2024	$901,612	$151,634	$1,053,246	$(137,217)	$916,029

Other reconciliations of reportable segments

	For the year ended December 31	
	2025	2024
Total profit or loss for reportable segments	$228,452	$179,545
Elimination of inter-segment profit	(53,964)	(34,176)
Income before income tax from continuing operations	$174,488	$145,369

(3) Geographic information

(A) External customer

	For the year ended December 31	
	2025	2024
Taiwan	$2,136,297	$1,897,277
China and others	877,687	867,642
Total	$3,013,984	$2,764,919

Revenue classified based on the contries where the customers located at.

(B) Non-current assets

	December 31, 2025	December 31, 2024
Taiwan	$399,737	$463,155
China and others	19,693	15,788
Total	$419,430	$478,943

(4) Major customers

Individual customers accounting for at least 10% of operating revenues for the years ended December 31, 2025 and 2024 were as follows:

	Sales amount	
Customer name	For the year ended December 31, 2025	For the year ended December 31, 2024
Customer A	$431,752	$443,533

Attached table 1: Financings Provided

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Financier	Counter-party	Item (Note 2)	Related-party	Maximum Balance (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate Range	Financing Provided (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Bad Debt	Collateral		Financial Limit for Each Counter-party	Limit on Financier's Total Financing
													Name	Value		
1	ShangHai Howteh International Trading Inc.	KunShan Howteh International Trading Inc.	Other receivables	Yes	$31,420 (USD1,000)	$31,420 (USD1,000)	$6,339	0.00%	1	-	Business dealings	$-	-	-	$69,508 (Note 10)	$104,262 (Note 10)
1	ShangHai Howteh International Trading Inc.	ShenZhen Howteh Technology Co., Ltd.	Other receivables	Yes	17,984 (RMB4,000)	-	-	4.35%	2	-	Short-term financing	-	-	-	$69,508 (Note 10)	$104,262 (Note 10)
2	ShenZhen Howteh Technology Co., Ltd.	ShangHai Howteh International Trading Inc.	Other receivables	Yes	17,984 (RMB4,000)	-	-	3.35%	2	-	Short-term financing	-	-	-	35,541 (Note 11)	53,311 (Note 11)

Note 1: The description of the number column is as follows:

(1) Issuer fill in 0.

(2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: Accounts of receivables related enterprise payments, receivables related party payments, shareholder transactions, advance payments, temporary payments... and other subjects, if they are in the nature of capital loans, must be filled in this form.

Note 3: The highest balance of funds lent to others in the current year.

Note 4: The nature of the loan should be filled in as a business transaction or a need for short-term financing.

(1) Business transaction fill in 1.

(2) Short-term financing fill in 2.

Note 5: If the nature of the loan is a business transaction, the business transaction amount should be filled in, which refers to the business transaction amount of the company and the loan target who lent the funds in the latest year.

Note 6: If the nature of the capital loan is necessary for short-term financing funds, the reason for the necessary loan and the purpose of the funds to be borrowed should be specified, such as: repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The maximum loan limit set by the Company shall not exceed 40% of the net value of the Company, and the maximum loan limit shall not exceed 20% of the net value of the Company for a single object.

Note 8: The amounts of funds to be loaned to others w hich have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorscmcnls/ Guarantccs by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. Tn addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorscmcnls/ Guarantccs by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: Counter-party:

According to Article 15 of the Company Law, the company's funds shall not be lent to shareholders or any other person except in the following circumstances:

(1) Intercompany business dealers.

(2) There is a need for short-term financing between companies. The amount of financing shall not exceed 40% of the net value of enterprise.

For the purposes of the preceding paragraph, short-term term refers to one year. However, if the company's business cycle is longer than one year, the business cycle shall prevail.

(3) The financing amount referred to in the preceding paragraph is the cumulative balance of the Company's short-term financing funds.

(4) The Company directly and indirectly holds 100% of the voting shares of foreign companies engaged in capital loans, which are not subject to the restrictions of the preceding paragraph.

Note 10: The total limit of capital loans set by ShangHai HOWTEH International Trading Inc. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Note 11: The total limit of capital loan and total set by ShenZhen HOWTEH Technology Co., Ltd. shall not exceed 60% of the net value of the company, and the maximum loan limit for a single object shall not exceed 40% of the net value of the company.

Attached table 2: Collaterals/Guarantee Provided

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Collaterals/Guar antee Provider	Counter-part Name	Counter-part Relationship (Note 2)	Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 3)	Maximum balance accumulated up to the end of this month (Note 4、8)	Ending Balance (Note 5、8)	Actual Amount Drawn Down (Note 6)	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Provision of Endorsements by Parent Company to Subsidiary (Note 6)	Provision of Endorsements by Subsidiary to Parent Company (Note 7)	Provision of Endorsements to the Company in Mainland China (Note 7)
0	Howteh Technology Co., Ltd.	Giteh Electronic Industries Co., Ltd.	2	$-	$94,260 (USD 3,000)	$-	$-	$-	-%	$-	Y	N	N
0	Howteh Technology Co., Ltd.	Howteh Vietnam Co., Ltd.	2	394,747	9,426 (USD 300)	9,426 (USD 300)	-	-	0.60%	789,494	Y	N	N

Note 1: The description of the number column is as follows:

(1) Issuer fill in 0.

(2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are the following seven types of relationships between the endorsement guarantor and the endorsed guarantee object, and the types can be indicated:

(1) There are business dealings between companies.

(2) Companies in which the company directly and indirectly holds more than 50% of the voting shares.

(3) A company in which more than 50% of the voting rights are directly or indirectly held in the company.

(4) A company in which the company directly and indirectly holds more than 90% of the voting shares.

(5) A company that is mutually insured by inter-industry or co-sponsors in accordance with the provisions of the contract.

(6) A company that is endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratio due to a co-investment relationship.

(7) The performance guarantee of the pre-sale house sales contract is jointly and severally guaranteed in accordance with the Consumer Protection Law.

Note 3: Endorsement guarantee method: The total amount of endorsement guarantee shall not exceed 50% of the company's net value, and the amount of endorsement guarantee for a single enterprise shall not exceed 25% of the company's net value.

Note 4: The maximum amount accumulated up to this month is the highest guaranteed balance of endorsement for the current year.

Note 5: By the end of the year, the company shall bear the endorsement or guarantee liability when the amount of the endorsement guarantee deed or instrument signed by the company to the bank is approved; Other relevant cases with endorsement guarantee should be included in the balance of endorsement guarantee.

Note 6: The actual amount of expenditure is the amount of expenditure under the guaranteed amount of the parent company.

Note 7: Those who are endorsement guarantors of the parent company of the listed stock exchange to the subsidiary, endorsement guarantors of the subsidiaries to the parent company of the listed stock exchange, and endorsement certificates belonging to the mainland region must fill in Y.

Note 8 The exchange rate is based on the ending exchange rate.

Attached Table 3: Marketable securities held (excluding investment subsidiaries, affiliated enterprises and joint venture control part)

Expressed in thousands of New Taiwan Dollars

Holding Company	Securities Type and Name(Note 1)	Relationship with the Holding Company(Note 2)	Financial Statement Accoun	As of December 31, 2025				Notes(Note 4)
				Shares (1,000)	Carrying Value (Note 3)	Percentage of Ownership(%)	Fair Value	
Howteh Technology Co., Ltd.	Financial assets at fair value through other comprehensive income-non-current							
	Tailyn Technologies, Inc.	The Chairman of the company is a director of the Tailyn company	Investments in equity instruments measured at fair value through other comprehensive income - noncurrent	8,291,475	$216,408	10.98%	$216,408	No collateral is provided
	Feedpool Technology Co.,Ltd.	-	〃	566,030	-	2.52%	-	〃
			Total		$216,408		$216,408	

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

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

Note 3: For fair value measured, please fill in the book balance after adjustment of fair value evaluation and deduction of accumulated impairment in the carrying amount field; For those not measured at fair value, please fill in the carrying amount of the original acquisition cost or amortized cost less the accumulated impairment book balance.

Note 4: The use of marketable securities is restricted because of the provision of guarantees, pledge loans, or other agreements. The number of shares to be guaranteed or pledged, the amount and restricted use should be indicated in the remarks column.

Note 5: The Company determines securities presented in this chart based on principles of materiality.

Attached Table 4: Purchase and sale of goods from or to related parties reaching NT$ 100 million or more than 20% of the paid-in capital or more

Expressed in thousands of New Taiwan Dollars

Purchaser/seller	Counter-party	Relationship with the counter-party	Transaction				transaction terms compared to general transactions and reasons		Notes/accounts receivable (payable)		Notes
			Purchases(sales) (Note 1)	Amount	Percentage of total purchases (sales)	Credit term	Unit price (Note 2)	Credit term (Note 2)	Balance (Note 1)	Percentage of total notes/accounts receivable(payable)(%)(Note 3)	
Howteh Technology Co., Ltd.	Giteh Electronic Industries Co., Ltd.	Subsidiary	Purchases	$177,648	8.12	60days	-	-	$(57,275)	(28.20)	
Giteh Electronic Industries Co., Ltd.	Howteh Technology Co., Ltd.	Subsidiary	Sales	(177,648)	23.10	60days	-	-	57,275	26.98	

Note 1: Written off at the time of preparation of the consolidated financial statements.
Note 2: Comparable to general companies.
Note 3: The ratio of total notes receivable (payable) and accounts receivable (payable) to the individual financial statements of the importing (selling) company.

Attached Table 5: Business relationships and important transactions between parent and subsidiary companies

Expressed in thousands of New Taiwan Dollars

No. (Note 1)	Purchaser/seller	Counter-party	Relationship with the counter-party(Note 2)	Transactions			
				Account	Amount (Note 4)	Trading conditions	Ratio to total consolidated revenue or total assets (Note 3)
0	Howteh Technology Co., Ltd.	ShangHai Howteh International Trading Inc.	1	Sales revenue	$75,698	60days	2.51%
0	〃	〃	1	Accounts receivable	21,285	〃	0.81%
0	〃	Giteh Electronic Industries Co., Ltd.	1	Sales revenue	105,485	60days	3.50%
0	〃	〃	1	Accounts receivable	20,645	〃	0.79%
0	〃	〃	1	Purchase	177,648	〃	5.89%
0	〃	〃	1	Accounts payable	57,275	〃	2.19%
0	〃	ShenZhen Howteh Technology Co., Ltd.	1	Sales revenue	42,439	60days	1.41%
0	〃	〃	1	Accounts receivable	12,800	〃	0.49%
1	Giteh Electronic Industries Co., Ltd.	ShangHai Howteh International Trading Inc.	3	Sales revenue	71,157	60days	2.36%
1	〃	〃	3	Accounts receivable	22,463	〃	0.86%
1	〃	ShenZhen Howteh Technology Co., Ltd.	3	Sales revenue	107,272	60days	3.56%
1	〃	〃	3	Accounts receivable	26,971	〃	1.03%
2	ShenZhen Howteh Technology Co., Ltd.	ShangHai Howteh International Trading Inc.	3	Purchase	55,215	60days	1.83%
2	〃	〃	3	Accounts payable	15,151	〃	0.58%

Note 1: The description of the number column is as follows:

(1) Issuer fill in 0.

(2) Investee companies are numbered sequentially, beginning with the Arabic numeral 1.

Note 2: There are three types of transaction relationships

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The transaction amount is calculated using total revenue or total asset ratio. In the case of balance sheet accounts, the ratio of the closing amount to the total assets is used; In the case of income statement accounts, the ratio of cumulative amounts in the period to total revenue is used.

Note 4: The important transactions in this table shall be listed by the company in accordance with the materiality principle.

Note 5: Eliminated in the consolidated financial statements.

Note 6: Business relationships and dealings between parents and subordinates that do not reach 1,000 million will not be disclosed

Attached Table 6: Information on the name and location of the invested company (excluding invested companies in Mainland China)

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investor Company	Investee Company (Note 1、2)	Location	Main Business activities	Initial investment amount(Note 4)		Held by the company			Current gain (loss)(Note 2(2))	Investment gain (loss))(Note 2(3))	Note
				Ending of this period	Ending of last year	Number of shares	Rate%	Carrying amount			
Howteh Technology Co., Ltd.	Giteh Electronic Industries Co., Ltd.	Hong Kong	Trading of electronic parts	$48,468 (HKD 12,000)	$50,664 (HKD 12,000)	-	100.00%	$666,765	$49,895	$49,956	(Note 3)
Howteh Technology Co., Ltd.	Howteh International Inc.	Samoa	Investment in Shanghai and entrepot trade	56,556 (USD 1,800)	59,013 (USD 1,800)	-	100.00%	179,603	2,095	1,957	(Note 3)
Howteh International Inc.	Howteh Vietnam Co., Ltd.	Vietnam	Trading of electronic parts	9,426 (USD 300)	9,836 (USD 300)	-	100.00%	659	(1,735)	(1,735)	(Note 3)

Note 1: If a public offering company has a foreign holding company and uses consolidated statements as its main financial statements in accordance with local laws and regulations, the disclosure of information about the foreign invested company may only disclose the relevant information of the holding company.

Note 2: Except for the circumstances described in Note 1, fill in according to the following provisions:

(1) "Investee Company "、"Location"、"Main Business activities"、"Initial investment amount" and "Ending of this period", the reinvestment situation of the (public offering) company and the reinvestment situation of each investee company directly or indirectly controlled should be filled in order, and the relationship between each investee company and the public offering company should be indicated in the remarks column (if it is a subsidiary or grandchild).

(2) "Current gain (loss)", the current profit or loss amount of each investee company should be filled in.

(3) "Investment gain (loss)", only the profit and loss amount of each subsidiary of the public offering company recognized for direct transfer investment and each investee company evaluated by the equity method must be filled in, and the remaining information is exempted. When filling in the "nvestment gain (loss)", it should be confirmed that the current profit and loss amount of each subsidiary already includes the investment profit or loss that should be recognized according to the regulations for its reinvestment.

Note 3: Eliminated in the consolidated financial statements.

Note 4: The exchange rate is based on the ending exchange rate.

Attached Table 7: Information on investments in China

Expressed in thousands of New Taiwan Dollars
(EXCEPT AS OTHERWISE INDICATED)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of current year	Amount of investment remitted or recovered during the current period		Accumulated amount of remittance from Taiwan at the end of current year	Current profit (loss) of the invested company	Shareholding ratio of the company's investment (direct or indirect)	Investment income (loss) recognized in the current period (Note 2)	Book value of investment at the end of the period	Investment income remitted back to Taiwan as of the current period
					Remitted	Recovered						
ShangHai Howteh International Trading Inc.	International trade, entrepot trade, inter-enterprise trade and trade agency in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded	$51,843 (USD 1,650)	(2) Howteh International Inc.	$43,988 (USD 1,400)	$-	$-	$43,988 (USD 1,400)	$4,039	100%	$4,039 (Note 2、(2)、2)	$173,770 (Note 2、(2)、2)	None
ShenZhen Howteh Technology Co., Ltd.	Chemical products, rubber, plastics, metal products, electronic components, testing instruments, general parts, mechanical equipment, electronic equipment and related accessories, communication equipment and related accessories, electrical and electrical equipment and their spare parts wholesale, commission agency, import and export and related supporting business. Electronic product information consulting, economic information consulting, enterprise management consulting.	28,273 (HKD 7,000)	(2) Giteh Electronic Industries Co., Ltd.	-	-	-	-	5,892	100%	5,936 (Note 2、(2)、2)	88,852 (Note 2、(2)、2)	None
KunShan Howteh International Trading Inc.	International trade, entrepot trade, trade and trade agency between enterprises in the bonded zone, enterprise agency with import and export operation rights and non-bonded zone enterprises engaged in trade business, commercial simple processing in the bonded zone, business consulting services in the bonded zone, etc.	9,426 (USD 300)	(1) Howteh Technology Co., Ltd.	9,426 (USD 300)	-	-	9,426 (USD 300)	1,974	100%	1,974 (Note 2、(2)、2)	(5,404) (Note 2、(2)、2)	None

Accumulative amount of investment remitted from Taiwan to the mainland at the end of this period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
$53,414 (USD1,700)	$96,004 (USD 1,950) (HKD 8,600)	$947,393

Note 1: Investment methods are divided into the following three types:
(1) Direct investment in mainland China.
(2) Reinvesting in the mainland through a third region company (please specify the investment company in the third region).
(3) Other methods.

Note 2: In investment income (loss) recognized in the current period column:
(1) If there is no investment profit or loss in the preparation of the company, it should be indicated.
(2) There are three bases for recognition of investment gains and losses, which should be indicated.
1.The amount recognized was based on the financial statements that were audited by a cooperative relationship with the Republic of China CPA firm.
2.The amount recognized was based on the financial statements that were audited by parent company's CPA firm.
3.The difference between current profit (loss) of the investee and investment income (loss) recognized were unrealized downstream, upstream and sidestream transactions with the subsidiaries during the period.

Note 3: The figures in this table should be presented in New Taiwan Dollars at the following exchange rates:

Ending exchange rate:	Average Exchange Rate :
USD=31.42	USD=31.1025
HKD=4.039	HKD=4.1305
RMB=4.496	RMB=4.487

Note 4: Eliminated in the consolidated financial statements.