FineTek Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
FineTek Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of FineTek Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy (collectively referred to as the parent company only "financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's financial statements for the year ended December 31, 2025 is described as follows:

The Validity of Occurrence of Revenue Recognition

The operating revenue of the Company for the year ended December 31, 2025 was $855,333 thousand. Among this, sales to key customers with individually significant revenue contributions had a material impact on the financial statements. In order to meet the expectations of shareholders and external investors, the Company's management may be under pressure to achieve profit target. Accordingly, we assessed that the primary audit risk related to revenue recognition was whether the sales transactions with these key customers had actually occurred. We therefore identified this matter as a key audit matter. Please refer to Note 4(l) in the parent company only financial statements for the accounting policies related to revenue recognition and Note 22 for the disclosures of the operating revenues.

The audit procedures that we performed with respect to the sales revenue from the aforementioned customers are as follows:

1. We obtained an understanding of the internal controls related to the sales revenue from the aforementioned customers for the year ended December 31, 2025, evaluated the design of the key controls and tested the operating effectiveness of the controls.

2. We obtained the list of the aforementioned customers for the year ended December 31, 2025 and assessed that their backgrounds, transaction amounts and credit limits granted were reasonable and consistent with their scale.

3. We selected samples of sales transactions from the aforementioned customers for the year ended December 31, 2025, verified them against external shipping documents, and tested the identity of the collection counterparties, the status of receivables collected, and whether the transaction terms exhibited any material anomalies, to confirm the authenticity and occurrence of the sales revenue.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chung Chen Chen and Sheng Tai Liang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 25, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

FINETEK CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 517,203	20	$ 636,513	24
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	134,102	5	102,511	4
Financial assets at amortized cost - current (Notes 4, 8 and 9)	53,000	2	13,088	-
Notes receivable (Notes 4, 10 and 22)	11,372	-	13,793	1
Trade receivables (Notes 4, 10 and 22)	91,542	4	79,840	3
Trade receivables from related parties (Notes 4, 22 and 29)	43,367	2	55,775	2
Other receivables (Notes 4 and 10)	955	-	1,361	-
Other receivables from related parties (Notes 4 and 29)	69,682	3	101,920	4
Inventories (Notes 4 and 11)	158,182	6	150,287	6
Other current assets (Note 16)	493	-	1,133	-
Total current assets	1,079,898	42	1,156,221	44
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 9)	9,390	1	9,784	-
Investments accounted for using the equity method (Notes 4 and 12)	777,177	30	800,452	30
Property, plant and equipment (Notes 4 and 13)	621,875	24	630,089	24
Right-of-use assets (Notes 4 and 14)	4,713	-	4,844	-
Intangible assets (Notes 4 and 15)	7,258	-	9,105	-
Deferred tax assets (Notes 4 and 24)	21,917	1	20,150	1
Long-term trade receivables (Notes 4, 10 and 22)	34,622	1	1,241	-
Other non-current assets (Note 16)	16,331	1	15,522	1
Total non-current assets	1,493,283	58	1,491,187	56
TOTAL	$ 2,573,181	100	$ 2,647,408	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 22)	$ 7,647	-	$ 9,685	-
Notes payable (Note 17)	3,740	-	3,785	-
Trade payables (Note 17)	28,099	1	50,223	2
Trade payables to related parties (Note 29)	6,013	-	7,651	-
Other payables (Note 19)	62,589	3	72,029	3
Other payables to related parties (Note 29)	1,906	-	-	-
Current tax liabilities (Notes 4 and 24)	22,580	1	17,056	1
Lease liabilities - current (Notes 4 and 14)	1,998	-	1,415	-
Other current liabilities	299	-	276	-
Total current liabilities	134,871	5	162,120	6
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 18)	478,175	19	466,790	18
Deferred tax liabilities (Notes 4 and 24)	37,965	1	51,405	2
Lease liabilities - non-current (Notes 4 and 14)	2,781	-	3,464	-
Other non-current liabilities (Notes 22 and 29)	236	-	18	-
Total non-current liabilities	519,157	20	521,677	20
Total liabilities	654,028	25	683,797	26
EQUITY (Notes 4 and 21)				
Share capital				
Ordinary shares	570,025	22	558,848	21
Capital surplus	445,121	17	445,121	17
Retained earnings				
Legal reserve	358,759	14	332,319	12
Special reserve	31,102	1	55,477	2
Unappropriated earnings	550,388	22	602,948	23
Other equity				
Exchange differences on translation of foreign operations	(36,242)	(1)	(31,102)	(1)
Total equity	1,919,153	75	1,963,611	74
TOTAL	$ 2,573,181	100	$ 2,647,408	100

The accompanying notes are an integral part of the parent company only financial statements.

FINETEK CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)	$ 855,333	100	$ 893,982	100
OPERATING COSTS (Notes 11, 15, 23 and 29)	450,680	53	479,956	54
GROSS PROFIT	404,653	47	414,026	46
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(21,474)	(2)	(22,922)	(3)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	22,922	3	24,335	3
REALIZED GROSS PROFIT	406,101	48	415,439	46
OPERATING EXPENSES (Notes 15, 23 and 29)				
Selling and marketing expenses	99,047	12	84,590	9
General and administrative expenses	60,903	7	60,583	7
Research and development expenses	61,521	7	53,524	6
Expected credit loss (reversed gain) (Notes 9 and 10)	328	-	(11)	-
Total operating expenses	221,799	26	198,686	22
PROFIT FROM OPERATIONS	184,302	22	216,753	24
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	8,348	1	4,327	1
Other income	6,289	1	6,292	1
Other gains and losses	21,457	2	38,823	4
Finance costs	(11,517)	(1)	(4,782)	(1)
Share of profit or loss of subsidiaries	19,073	2	57,171	6
Total non-operating income and expenses	43,650	5	101,831	11
PROFIT BEFORE TAX	227,952	27	318,584	35
INCOME TAX EXPENSE (Notes 4 and 24)	(38,833)	(5)	(54,839)	(6)
NET PROFIT FOR THE YEAR	189,119	22	263,745	29

(Continued)

FINETEK CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	$ 862	-	$ 800	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(172)	-	(160)	-
	690	-	640	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(6,426)	-	30,468	4
Income tax relating to items that may be reclassified subsequently to profit or loss	1,286	-	(6,093)	(1)
	(5,140)	-	24,375	3
Other comprehensive income (loss) for the year, net of income tax	(4,450)	-	25,015	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 184,669	22	$ 288,760	32
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	$ 3.32		$ 4.63	
Diluted	$ 3.31		$ 4.57	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

FINETEK CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Share Capital		Retained Earnings			Other Equity	
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements of Foreign Operations	Total Equity
BALANCE ON JANUARY 1, 2024	$ 547,890	$ 326,906	$ 305,529	$ 52,271	$ 598,673	$ (55,477)	$ 1,775,792
Appropriation of 2023 earnings (Note 21)							
Legal reserve	-	-	26,790	-	(26,790)	-	-
Special reserve	-	-	-	3,206	(3,206)	-	-
Cash dividends distributed by the Company	-	-	-	-	(219,156)	-	(219,156)
Share dividends distributed by the Company	10,958	-	-	-	(10,958)	-	-
Other changes in capital surplus							
Equity component of convertible bonds issued by the Company (Notes 18 and 21)	-	118,215	-	-	-	-	118,215
Net profit for the year ended December 31, 2024	-	-	-	-	263,745	-	263,745
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	640	24,375	25,015
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	264,385	24,375	288,760
BALANCE ON DECEMBER 31, 2024	558,848	445,121	332,319	55,477	602,948	(31,102)	1,963,611
Appropriation of 2024 earnings (Note 21)							
Legal reserve	-	-	26,440	-	(26,440)	-	-
Special reserve	-	-	-	(24,375)	24,375	-	-
Cash dividends distributed by the Company	-	-	-	-	(229,127)	-	(229,127)
Share dividends distributed by the Company	11,177	-	-	-	(11,177)	-	-
Net profit for the year ended December 31, 2025	-	-	-	-	189,119	-	189,119
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	690	(5,140)	(4,450)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	189,809	(5,140)	184,669
BALANCE ON DECEMBER 31, 2025	$ 570,025	$ 445,121	$ 358,759	$ 31,102	$ 550,388	$ (36,242)	$ 1,919,153

The accompanying notes are an integral part of the parent company only financial statements.

FINETEK CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 227,952	$ 318,584
Adjustments for:		
Depreciation expense	29,587	27,068
Amortization expense	6,141	6,196
Expected credit loss (gain)	301	(167)
Net gain on fair value changes of financial asset designated as at fair value through profit or loss	(18,266)	(14,385)
Finance costs	11,517	4,782
Interest income	(8,348)	(4,327)
Dividend income	(5,018)	(3,801)
Share of profit of subsidiaries	(19,073)	(57,171)
Gain on disposal of property, plant and equipment	(180)	(40)
Inventory write-downs	2,207	1,749
Unrealized gain on transactions with subsidiaries	21,474	22,922
Realized gain on transactions with subsidiaries	(22,922)	(24,335)
Net gain on foreign currency exchange	(5,690)	(14,993)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(13,325)	1,955
Notes receivable	2,421	1,394
Trade receivables	(43,474)	(11,213)
Trade receivables from related parties	12,408	(3,061)
Other receivables	928	1,629
Other receivables from related parties	32,238	43,228
Inventories	(10,102)	(19,357)
Other current assets	640	1,551
Net defined benefit assets	(56)	(38)
Contract liabilities	(1,830)	1,905
Notes payable	(45)	(118)
Trade payables	(22,291)	(9,873)
Trade payables to related parties	(1,638)	3,926
Other payables	(10,156)	3,033
Other payables to related parties	1,906	(256)
Other current liabilities	23	34
Cash generated from operations	167,329	276,821
Interest received	7,826	4,201
Dividends received	5,018	3,801
Interest paid	(132)	(3,299)
Income tax paid	(47,402)	(50,506)
Net cash generated from operating activities	132,639	231,018

(Continued)

FINETEK CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	$ (53,010)	$ -
Proceeds from disposal of financial assets at amortized cost	13,282	30,804
Acquisition of additional interests in subsidiaries	-	(10,000)
Payments for property, plant and equipment	(17,086)	(12,628)
Proceeds from disposal of property, plant and equipment	180	40
Increase in refundable deposits	-	(1,451)
Decrease in refundable deposits	1,744	-
Payments for intangible assets	(4,371)	(3,297)
Increase in prepayments for equipment	(3,318)	(2,240)
Dividends received from subsidiaries (Note 12)	87,370	17,475
Net cash generated from investing activities	24,791	18,703
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bonds	-	586,335
Repayment of long-term borrowings	-	(176,923)
Payments for transaction costs attributable to the issuance of bonds	-	(5,350)
Increase in refundable deposits	10	-
Repayment of the principal portion of lease liabilities	(1,780)	(968)
Dividends paid to owners of the Company	(229,127)	(219,156)
Acquisition of equity interest in a subsidiary	(50,000)	-
Net cash (used in) generated from financing activities	(280,897)	183,938
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	4,157	6,677
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(119,310)	440,336
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	636,513	196,177
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 517,203	$ 636,513

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

1. GENERAL INFORMATION

FineTek Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) on January 30, 2003. The Company mainly designs, manufactures and sells transmitters, point switches and electronic terminals.

The Company's shares have been listed on the mainboard of the Taipei Exchange ("TPEx") since November 2014.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 11, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: 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.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures, and related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. If convertible corporate bonds are issued, the conversion rights will be classified as equity, terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from the settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. (i.e., not retranslated)

For the purpose of presenting these financial statements, the functional currency of the Company and the Group entities (including subsidiaries in other countries or those that use currencies different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, finished goods, work in progress and merchandise are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of the equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of an investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investments for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially stated at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating units to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

ii) 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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized, notes receivable, trade receivables, trade receivables from related parties, other receivables (excluding VAT refund receivables), other receivables from related parties, long-term trade receivable and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable, trade receivables, other receivables, other financial assets - current, financial assets at amortized cost - non-current and refundable deposits).

The Company always recognizes lifetime expected credit losses (ECLs) for notes receivable and trade receivables, for all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 360 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of transmitters, point switches and electronic terminals. Sales of transmitters, point switches and electronic terminals are recognized as revenue when the goods are delivered to the customer's specific location/the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from providing product repair services to customers.

As the Company provides product repair services, customers simultaneously receive and consume the benefits provided by the Company's satisfaction of performance obligations. Consequently, the related revenue is recognized when services are rendered.

m. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to a defined contribution retirement benefit plan are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service costs, net interest and remeasurement) under the defined contribution retirement benefit plan are determined using the projected unit credit method. Service costs (including current service costs) and net interest on the net defined benefit asset are recognized as employee benefits expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets represent the actual surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plan or reductions in future contributions to the plan.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any previously unrecognized deferred tax assets are also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period in which the liabilities are settled or the assets are realized, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation and interest rate fluctuations and US reciprocal tariffs when making its critical accounting estimates on cash flows, growth rates, discount rates, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies, estimates and underlying assumptions used by the Company, as evaluated by management, are free of significant accounting judgments, estimates and assumption uncertainties.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Cash on hand	$ 568	$ 592
Checking accounts and demand deposits	316,635	217,921
Cash equivalents (investments with original maturities within 3 months or less)		
Time deposits	200,000	418,000
	$ 517,203	$ 636,513

The market rate ranges of bank deposits at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Bank demand deposits	0.003%-0.705%	0.002%-1.45%
Bank time deposits	1.625%	0.129%-1.72%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 129,032	$ 99,037
Beneficiary certificates	4,920	-
Derivative financial assets (not under hedge accounting)		
Options of convertible bonds (Note 18)	150	3,474
	$ 134,102	$ 102,511

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current (Note)		
Time deposits with original maturities of more than 3 months	$ 53,000	$ -
Corporate bonds - Deutsche Bank (a)	-	6,541
Corporate bonds - Société Générale (b)	-	6,547
	$ 53,000	$ 13,088
Non-current		
Corporate bonds - AT&T (c)	$ 9,390	$ 9,784

Note: The Company considers the past default experience of the debtor and an analysis of the debtor's current financial position to measure 12-month or lifetime expected credit losses on financial assets at amortized cost. As of December 31, 2025 and 2024, the Company has no need to recognize expected credit loss on financial assets at amortized cost.

a. The Company's investments in bonds issued by Deutsche Bank were as follows:

	December 31	
	2025	2024
Total carrying amount	$ -	$ 6,541
Total par value (in thousands of U.S. dollars)	$ -	$ 200
Coupon rate	-	4.50%
Effective interest rate	-	4.47%
Holding period	-	2015.10.21-2025.4.1

b. The Company's investments in bonds issued by Société Générale were as follows:

	December 31	
	2025	2024
Total carrying amount	$ -	$ 6,547
Total par value (in thousands of U.S. dollars)	$ -	$ 200
Coupon rate	-	4.25%
Effective interest rate	-	4.27%
Holding period	-	2015.10.21-2025.4.14

c. The Company's investments in bonds issued by AT&T were as follows:

	December 31	
	2025	2024
Total carrying amount	$ 9,390	$ 9,784
Total par value (in thousands of U.S. dollars)	$ 320	$ 320
Coupon rate	3.65%	3.65%
Effective interest rate	4.01%	4.01%
Holding period	2021.3.11-2059.9.15	2021.3.11-2059.9.15

Refer to Note 9 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	December 31	
	2025	2024
At amortized cost		
Gross carrying amount	$ 9,399	$ 22,908
Less: Allowance for impairment loss	(9)	(36)
Amortized cost	$ 9,390	$ 22,872

The Company's policy is to only invest in debt instruments issued by entities with good credit standing. The Company continuously tracks the credit risk changes of its invested debt instruments, reviews significant information and other details about the debtor, and assesses whether the credit risk of the debt instrument investments has increased significantly since their initial recognition.

In order to minimize credit risk, the Company has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to the degree of risk of default. The credit rating information obtained from independent rating agencies where available. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments for 12 months, the Company considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries. The Company's current credit risk grading mechanism was as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company have no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were shown below:

December 31, 2025

Category	Expected Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.10%	$ 9,399
Doubtful	-	-
In default	-	-
Write-off	-	-
		$ 9,399

December 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.25%	$ 22,908
Doubtful	-	-
In default	-	-
Write-off	-	-
		$ 22,908

The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In default (Lifetime ECLs - Credit Impaired)
Balance on January 1, 2025	$ 36	$ -	$ -
Change in model or risk parameters	(27)	-	-
Balance on December 31, 2025	$ 9	$ -	$ -
Balance on January 1, 2024	$ 192	$ -	$ -
Change in model or risk parameters	(156)	-	-
Balance on December 31, 2024	$ 36	$ -	$ -

The Company considered the credit rating information supplied by independent rating agencies, due to the changes in credit ratings and credit risk parameters, the Company recognized an expected credit (reversed gain) of $(27) thousand and $(156) thousand in 2025 and 2024, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES, LONG-TERM TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2025	2024
Notes receivable		
At amortized cost		
Gross carrying amount	$ 11,372	$ 13,546
Less: Allowance for impairment loss	-	-
	11,372	13,546
Current portion of long-term notes receivable	-	247
Less: Allowance for impairment loss	-	-
	-	247
	$ 11,372	$ 13,793
Trade receivables		
At amortized cost		
Gross carrying amount	$ 86,886	$ 79,862
Less: Allowance for impairment loss	(338)	(22)
	86,548	79,840
Current portion of long-term trade receivables	4,994	-
Less: Allowance for impairment loss	-	-
	4,994	-
	$ 91,542	$ 79,840

(Continued)

	December 31	
	2025	2024
Long-term trade receivables		
At amortized cost		
Gross carrying amount	$ 36,899	$ 1,241
Less: Unrealized interest income	(2,277)	-
	$ 34,622	$ 1,241
Other receivables		
Interest receivables	$ 955	$ 433
VAT refund receivables	-	928
	$ 955	$ 1,361

(Concluded)

a. Notes receivable

The Company's average cashing period of notes receivable was 0-180 days.

The Company measures the loss allowance for notes receivable at an amount equal to lifetime ECLs. The lifetime expected credit losses on notes receivable takes into consideration the past default experience of the debtor and general economic conditions of the industry. As of December 31, 2025 and 2024, the Company assessed that there is no need to recognize expected credit losses on notes receivable.

The aging of notes receivable was as follows:

	December 31	
	2025	2024
Up to 90 days	$ 11,372	$ 13,594
91 to 180 days	-	85
180 to 365 days	-	114
	$ 11,372	$ 13,793

The above aging schedule was based on the number of past due days from the invoice date.

b. Trade receivables

The average credit period of sales of goods was 0-150 days.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, as well as GDP predictions. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (including related parties) and long-term trade receivables based on the Company's provision matrix.

December 31, 2025

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.025%	0.243%	7.261%	12.886%	54.195%	100%	
Gross carrying amount	$ 151,498	$ 17,616	$ 272	$ 34	$ 337	$ 112	$ 169,869
Loss allowance (Lifetime ECL)	(9)	(16)	(13)	(4)	(184)	(112)	(338)
Amortized cost	$ 151,489	$ 17,600	$ 259	$ 30	$ 153	$ -	$ 169,531

December 31, 2024

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0%	0.001%	0.073%	0.648%	15.581%	100%	
Gross carrying amount	$ 125,905	$ 9,340	$ 1,509	$ 41	$ 74	$ 9	$ 136,878
Loss allowance (Lifetime ECL)	-	(1)	-	(1)	(11)	(9)	(22)
Amortized cost	$ 125,905	$ 9,339	$ 1,509	$ 40	$ 63	$ -	$ 136,856

The above aging schedule was based on the number of days past the due date.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 22	$ 33
Add: Net remeasurement of loss allowance	328	-
Less: Net remeasurement of loss allowance reversed	-	(11)
Less: Amounts written off	(12)	-
Balance on December 31	$ 338	$ 22

c. Other receivables

Other receivables mainly consist of VAT refund receivables and interest receivables, and the Company's policy is to transact only with creditworthy counterparties. The Company continuously monitors and makes reference to the past default experience of counterparties and analyzes their current financial position in order to evaluate whether there has been a significant increase in the credit risk of other receivables since initial recognition and to measure the expected credit loss. As of December 31, 2025 and 2024, the Company assessed that there is no need to recognize expected credit loss on other receivables.

11. INVENTORIES

	December 31	
	2025	2024
Merchandise inventory	$ 1,340	$ 275
Finished goods	105,300	91,015
Work in progress	16,741	29,742
Raw materials	34,801	29,255
	$ 158,182	$ 150,287

The nature of the cost of goods sold were as follows:

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 445,198	$ 472,157
Disposal of inventory	3,270	6,040
Inventory write-downs	2,207	1,749
Loss on physical inventory	5	10
	$ 450,680	$ 479,956

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2025	2024
Powerline Corp. (Note 1)	$ 361,405	$ 433,505
Golden Land International Corp.	76,836	85,480
Gain Access Investments Ltd.	34,510	34,602
PT. Finetek Automation Indonesia	31,449	32,927
Finetek GmbH (Note 2)	156,704	148,474
Tenda Capital Inc (Note 3)	107,101	55,472
Accurtech Co., Ltd. (Note 4)	9,172	9,992
	$ 777,177	$ 800,452

	Proportion of Ownership and Voting Rights	
	December 31	
	2025	2024
Powerline Corp.	100.00%	100.00%
Golden Land International Corp.	100.00%	100.00%
Gain Access Investments Ltd.	100.00%	100.00%
PT. Finetek Automation Indonesia	99.70%	99.70%
Finetek GmbH	100.00%	100.00%
Tenda Capital Inc	100.00%	100.00%
Accurtech Co., Ltd.	100.00%	100.00%

Note 1: In November 2025, the subsidiary Fine Automation Co., Ltd. distributed retained earnings of RMB18,971 thousand (NT$83,870 thousand) to its parent company, Faco International Co., Ltd. Subsequently, Faco International Co., Ltd. distributed retained earnings to the Company through Powerline Corp.

Note 2: In June 2024, the subsidiary Finetek GmbH distributed retained earnings of EUR500 thousand (NT$17,305 thousand) to the Company.

Note 3: The subsidiary, Tenda Capital Inc distributed retained earnings of $170 thousand to the Company in May 2024. In addition, it conducted a cash capital increase of $50,000 thousand in May 2025 and distributed retained earnings of $3,500 thousand to the Company in June 2025.

Note 4: The Company established a subsidiary, Accurtech Co., Ltd. for $10,000 thousand with 100% ownership, which was approved by the New Taipei City Government in December 2024 to complete the establishment and registration.

Refer to Note 34 for the details of the subsidiaries indirectly held by the Company.

13. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Company

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Molding Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance on January 1, 2025	$ 425,685	$ 300,993	$ 67,515	$ 3,404	$ 16,409	$ 31,320	$ 39,025	$ -	$ 884,351
Additions	-	-	5,386	-	4,697	4,052	3,451	216	17,802
Disposals	-	-	(509)	-	(626)	(870)	(1,437)	-	(3,442)
Reclassified (Note)	-	-	3,720	-	149	487	(2,380)	(216)	1,760
Balance on December 31, 2025	$ 425,685	$ 300,993	$ 76,112	$ 3,404	$ 20,629	$ 34,989	$ 38,659	$ -	$ 900,471
Accumulated depreciation and impairment									
Balance on January 1, 2025	$ -	$ 118,403	$ 58,546	$ 3,404	$ 11,125	$ 27,712	$ 35,072	$ -	$ 254,262
Depreciation expense	-	14,216	5,368	-	3,149	3,568	1,475	-	27,776
Disposals	-	-	(509)	-	(626)	(870)	(1,437)	-	(3,442)
Balance on December 31, 2025	$ -	$ 132,619	$ 63,405	$ 3,404	$ 13,648	$ 30,410	$ 35,110	$ -	$ 278,596
Carrying amount at December 31, 2025	$ 425,685	$ 168,374	$ 12,707	$ -	$ 6,981	$ 4,579	$ 3,549	$	$ 621,875
Cost									
Balance on January 1, 2024	$ 425,685	$ 299,349	$ 65,880	$ 3,404	$ 13,551	$ 28,387	$ 35,496	$ -	$ 871,752
Additions	-	1,644	947	-	2,858	2,746	3,615	-	11,810
Disposals	-	-	(442)	-	-	(17)	(86)	-	(545)
Reclassified (Note)	-	-	1,130	-	-	204	-	-	1,334
Balance on December 31, 2024	$ 425,685	$ 300,993	$ 67,515	$ 3,404	$ 16,409	$ 31,320	$ 39,025	$ -	$ 884,351

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Molding Equipment	Other Equipment	Construction in Progress	Total
Accumulated depreciation and impairment									
Balance on January 1, 2024	$ -	$ 103,111	$ 54,171	$ 3,364	$ 8,848	$ 24,865	$ 34,379	$ -	$ 228,738
Depreciation expense	-	15,292	4,817	40	2,277	2,864	779	-	26,069
Disposals	-	-	(442)	-	-	(17)	(86)	-	(545)
Balance on December 31, 2024	$ -	$ 118,403	$ 58,546	$ 3,404	$ 11,125	$ 27,712	$ 35,072	$ -	$ 254,262
Carrying amount at December 31, 2024	$ 425,685	$ 182,590	$ 8,969	$ -	$ 5,284	$ 3,608	$ 3,953	$ -	$ 630,089

(Concluded)

Note: Transferred from prepayments for equipment and intangible assets.

For the years ended December 31, 2025 and 2024, no impairment assessment was performed as there were no indications of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-35 years
Auxiliary equipment	2-20 years
Machinery and equipment	1-10 years
Transportation	4-5 years
Office equipment	1-5 years
Molding equipment	1-4 years
Other equipment	1-8 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Transportation	$ 4,713	$ 4,844

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 1,680	$ 2,022
Depreciation charge for right-of-use assets		
Transportation	$ 1,811	$ 999

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 1,998	$ 1,415
Non-current	$ 2,781	$ 3,464

Range of discount rates for lease liabilities were as follows:

	December 31	
	2025	2024
Transportation	1.85%-1.975%	1.85%-1.975%

c. Material leasing activities and terms - as lessee

The Company leases transportation equipment with lease terms of 2 to 5 years. At the end of the lease term, the Company does not have any option to renew the lease or to purchase the leased transportation equipment at a preferential price.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 703	$ 412
Total cash outflow for leases	$ (2,008)	$ (1,453)

The Company's leases of certain offices qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Company as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2025	2024
Lease commitments	$ 396	$ 412

15. OTHER INTANGIBLE ASSETS

	Computer Software	Licenses and Franchises	Specialized Technology	Total
Cost				
Balance on January 1, 2025	$ 47,602	$ 750	$ 124	$ 48,476
Additions	4,371	-	-	4,371
Disposal	(3,588)	-	-	(3,588)
Reclassified	(77)	-	-	(77)
Balance on December 31, 2025	$ 48,308	$ 750	$ 124	$ 49,182

(Continued)

	Computer Software	Licenses and Franchises	Specialized Technology	Total
Accumulated amortization and impairment				
Balance on January 1, 2025	$ 39,020	$ 262	$ 89	$ 39,371
Amortization expense	6,081	25	35	6,141
Disposal	(3,588)	-	-	(3,588)
Balance on December 31, 2025	$ 41,513	$ 287	$ 124	$ 41,924
Carrying amount at December 31, 2025	$ 6,795	$ 463	$ -	$ 7,258
Cost				
Balance on January 1, 2024	$ 44,305	$ 750	$ 124	$ 45,179
Additions	3,297	-	-	3,297
Balance on December 31, 2024	$ 47,602	$ 750	$ 124	$ 48,476
Accumulated amortization and impairment				
Balance on January 1, 2024	$ 32,890	$ 237	$ 48	$ 33,175
Amortization expense	6,130	25	41	6,196
Balance on December 31, 2024	$ 39,020	$ 262	$ 89	$ 39,371
Carrying amount at December 31, 2024	$ 8,582	$ 488	$ 35	$ 9,105

(Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Licenses and franchises	29 years
Specialized technology	3 years

An analysis of amortization by function:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ 1,893	$ 2,203
Selling and marketing expenses	2,761	2,684
General and administrative expenses	617	543
Research and development expenses	870	766
	$ 6,141	$ 6,196

16. OTHER ASSETS

	December 31	
	2025	2024
Current		
Prepayments	$ 461	$ 804
Advances to suppliers	-	329
Others	32	-
	$ 493	$ 1,133
Non-current		
Prepayments for equipment	$ 7,120	$ 5,485
Refundable deposits (Note)	4,273	6,017
Net defined benefit assets (Note 20)	4,938	4,020
	$ 16,331	$ 15,522

Note: The Company considers the past default experience of the debtor and an analysis of the debtor's current financial position to measure 12-month or lifetime expected credit losses on refundable deposits. As of December 31, 2025 and 2024, the Company assessed that there was no need to recognize expected credit loss on refundable deposits.

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2025	2024
Notes payable		
Operating	$ 3,740	$ 3,785
Trade payables		
Operating	$ 28,099	$ 50,223

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. BONDS PAYABLE

	December 31	
	2025	2024
1st unsecured domestic convertible bonds	$ 478,175	$ 446,790
Less: Current portion	-	-
	$ 478,175	$ 446,790

Initially unsecured domestic convertible bonds

On August 5, 2024, the Company's Board of Directors resolved to approve the issuance of 5,000 units of unsecured, zero-coupon, New Taiwan Dollar-denominated convertible corporate bonds. The bonds were issued at 117.27% of their face value through the Taipei Exchange on November 7, 2024, with a total principal amount of NT$500,000 thousand and a maturity period of three years. The key issuance terms are as follows:

a. Issuance date: November 7, 2024 to November 7, 2027.

b. Repayment of maturity:

   Except for bondholders who apply for conversion into common shares, or cases where the Company redeems or repurchases and cancels the bonds before maturity, all outstanding bonds will be repaid in cash at par upon maturity.

c. Conversion terms

   1) Each holder of the bonds has the right during the conversion period, from February 8, 2025 (3 months after the issue date) to November 7, 2027 (the maturity date), except for cases where conversion requests are not permitted, to convert its bonds into ordinary shares through their securities broker, by notifying Taiwan Depository & Clearing Corporation (TDCC) and contacting the Company's Stock Transfer Agency. Except for the following periods: (i) the period during which the Company may be required to close its share transfer books under the applicable laws and regulations; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; (iii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; (iv) the period from the commencement of the conversion suspension date due to the change in the par value of the shares until the day before the start of trading of the new shares issued in exchange.

   2) The conversion price of this convertible bond was initially set at NT$166 per share, based on the pricing reference date of October 17, 2024. After the pricing date, due to the ex-rights trading day on October 24, 2024, during which each common share was entitled to an ex-rights value of NT$0.2, the conversion price was adjusted on the ex-rights reference date, November 1, 2024. The adjusted conversion price is NT$162.7 per share. In addition, as a result of the distribution of cash dividends to shareholders in 2025, the conversion price per share of the convertible bonds was adjusted from $162.7 to $157.5, effective from the ex-dividend date of August 4, 2025. Subsequently, due to the distribution of stock dividends, the conversion price per share was further adjusted from $157.5 to $154.4, effective from the ex-rights date of September 8, 2025.

d. Important redemption terms

   1) From February 8, 2025 (3 months after the issue date) to September 28, 2027 (40 days prior to the maturity date), if the closing price of the Company's ordinary shares listed on the Taipei Exchange exceeds the then-effective conversion price by 30% or more for 30 consecutive trading days, the Company may redeem its outstanding convertible corporate bonds in cash at their face value.

   2) From February 8, 2025 (3 months after the issue date) to September 28, 2027 (40 days prior to the maturity date), if the balance of the outstanding convertible bonds is lower than 10% of the original principal amount, the Company may repurchase the convertible corporate bonds from bondholders in cash at their face value.

e. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 2.4121% per annum on initial recognition; the option derivatives are measured at fair value through profit or loss.

Proceeds from issuance (less transaction costs of $5,350 thousand)	$ 580,985
Equity component	(118,215)
Financial assets at FVTPL	1,290
Deferred tax assets	1,070
Liability component at the date of issue	465,130
Interest charged at an effective interest rate of 2.4121%	1,660
Liability component at December 31, 2024	$ 466,790
Liability component at January 1, 2025	$ 466,790
Interest charged at an effective interest rate of 2.4121%	11,385
Liability component at December 31, 2025	$ 478,175

19. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Payables for salaries and bonuses	$ 28,272	$ 31,011
Payables for compensation of employees	7,300	11,000
Payables for remuneration of directors	7,000	10,000
Payables for labor and health insurance	3,894	3,942
Payables for purchases of equipment (Note 26)	2,034	1,318
Payables for shipping costs	1,113	3,087
Others	12,976	11,671
	$ 62,589	$ 72,029

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund.

If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheet in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ (4,919)	$ (5,210)
Fair value of plan assets	9,857	9,230
Net defined benefit assets	$ 4,938	$ 4,020

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Assets (Liabilities)**
Balance on January 1, 2024	$ (5,297)	$ 8,479	$ 3,182
Service costs			
Current service costs	(2)	-	(2)
Net interest (expense) income	(65)	105	40
Recognized in profit or loss	(67)	105	38
Remeasurement			
Return on plan assets	-	746	746
Actuarial loss			
Experience adjustments	54	-	54
Recognized in other comprehensive income (loss)	54	746	800
Benefits paid	100	(100)	-
Balance on December 31, 2024	(5,210)	9,230	4,020
Service costs			
Current service costs	(4)	-	(4)
Net interest (expense) income	(77)	137	60
Recognized in profit or loss	(81)	137	56
Remeasurement			
Return on plan assets	-	650	650
Actuarial loss			
Experience adjustments	212	-	212
Recognized in other comprehensive income (loss)	212	650	862
Benefits paid	160	(160)	-
Balance on December 31, 2025	$ (4,919)	$ 9,857	$ 4,938

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Year Ended December 31	
	2025	2024
General and administrative expenses	$ (56)	$ (38)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in both domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate(s)	1.36%	1.50%
Expected rate(s) of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate(s)		
0.25% increase	$ 81	$ (87)
0.25% decrease	$ (79)	$ 89
Expected rate(s) of salary increase		
1% increase	$ (301)	$ 367
1% decrease	$ 333	$ (332)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ -	$ -
The average duration of the defined benefit obligation	8.2 years	8.7 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	**2024**
Number of shares authorized (in thousands)	82,000	82,000
Shares authorized	$ 820,000	$ 820,000
Number of shares issued and fully paid (in thousands)	57,002	55,885
Shares issued	$ 570,025	$ 558,848

On May 27, 2024, the Company's shareholders resolved at the annual general meeting to amend the Articles of Incorporation to increase the authorized capital to NT$820,000 thousand, divided into 82,000 thousand shares. The amendment was approved by the competent authority, and the registration of the change was completed on June 11, 2024.

In the shareholders' meeting on May 27, 2024, the Company's shareholders approved the capitalization of retained earnings in the amount of $10,958 thousand to issue 1,095 thousand new shares with a par value of NT$10. The capital increase was approved and became effective upon registration by the FSC on September 23, 2024, and the record date for the capital increase was set by board resolution on October 7, 2024, as November 1, 2024.

In the shareholders' meeting on June 13, 2025, the Company's shareholders approved the capitalization of retained earnings in the amount of $11,177 thousand to issue 1,118 thousand new shares with a par value of NT$10. The capital increase was approved and became effective upon registration by the FSC on July 25, 2025, and the record date for the capital increase was set by board resolution on August 6, 2025, as September 8, 2025. The change of registration was duly approved and completed on October 15, 2025.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Premium from issuance of ordinary shares	$ 326,872	$ 326,872
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	34	34
May not be used for any purpose		
Share warrants	118,215	118,215
	$ 445,121	$ 445,121

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

	Premium from Issuance of Ordinary Shares	The Difference between Consideration Received or Paid and the Carrying Amount of the Subsidiaries' Net Assets During Actual Disposal or Acquisition	Share Warrants
Balance on January 1, 2025	$ 326,872	$ 34	$ 118,215
Share warrants of convertible bonds	-	-	-
Balance on December 31, 2025	$ 326,872	$ 34	$ 118,215
Balance on January 1, 2024	$ 326,872	$ 34	$ -
Share warrants of convertible bonds	-	-	118,215
Balance on December 31, 2024	$ 326,872	$ 34	$ 118,215

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 23(g).

In accordance with the amendments to the Company Act, the distribution of dividends may be made by way of cash dividends or share dividends, where the ratio of the cash dividends shall not be less than 10% of the total shareholders' dividends.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for the 2024 and 2023 which were approved in the shareholders' meetings on June 13, 2025 and May 27, 2024, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	$ 26,440	$ 26,790
Special reserve	$ (24,375)	$ 3,206
Cash dividends	$ 229,127	$ 219,156
Share dividends	$ 11,177	$ 10,958
Cash dividends per share (NT$)	$ 4.1	$ 4.0
Share dividends per share (NT$)	$ 0.2	$ 0.2

The appropriations of earnings for 2025, which were proposed by the Company's board of directors on March 11, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	$ 18,981
Special reserve	$ 5,140
Cash dividends	$ 171,007
Share dividends	$ 11,400
Cash dividends per share (NT$)	$ 3.0
Share dividends per share (NT$)	$ 0.2

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on June 8, 2026.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 55,477	$ 52,271
Appropriation in respect of:		
The debit to (reversal of) other equity items	(24,375)	3,206
Balance on December 31	$ 31,102	$ 55,477

e. Other equity items

Exchange differences on translation of the financial statements for foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (31,102)	$ (55,477)
Recognized for the year		
Exchange differences on translation of foreign operations	(6,426)	30,468
Income tax related to exchange differences arising on translation to the presentation currency (Note 24)	1,286	(6,093)
Balance on December 31	$ (36,242)	$ (31,102)

22. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 853,488	$ 891,721
Revenue from rendering of services	1,845	2,261
	$ 855,333	$ 893,982

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 10)	$ 11,372	$ 13,793	$ 16,428
Trade receivables (Note 10)	$ 91,542	$ 79,840	$ 61,575
Trade receivables from related parties (Note 29)	$ 43,367	$ 55,775	$ 52,714
Long-term trade receivables (Note 10)	$ 34,622	$ 1,241	$ -

(Continued)

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - current			
Sales of goods	$ 7,647	$ 9,685	$ 7,788
Contract liabilities - non-current (included in other non-current liabilities)			
Sales of goods	$ 216	$ 8	$ -

(Concluded)

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods were as follows:

	For the Year Ended December 31	
	2025	2024
From contract liabilities at the start of the year		
Sale of goods	$ 7,830	$ 7,788

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
Product categories		
Process automated sensor development	$ 753,995	$ 768,181
Pneumatic control system	34,688	42,517
Other	66,650	83,284
	$ 855,333	$ 893,982

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 4,977	$ 3,080
Financial assets at amortized cost	2,841	1,220
Long-term trade receivables	496	-
Imputed interest	34	27
	$ 8,348	$ 4,327

b. Other income

	For the Year Ended December 31	
	2025	2024
Dividend income	$ 5,018	$ 3,801
Government grant income	647	128
Rental income (Note 29)	229	124
Others	395	2,239
	$ 6,289	$ 6,292

c. Other gains and (losses)

	For the Year Ended December 31	
	2025	2024
Net foreign exchange gains	$ 664	$ 18,405
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	18,266	14,385
Receipts of payments under custody (Note 29)	7,479	6,254
Expected credit reversed gain (Note 9)	27	156
Gain on disposal of property, plant and equipment	180	40
Others	(5,159)	(417)
	$ 21,457	$ 38,823

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on convertible bonds (Note 18)	$ 11,385	$ 1,660
Interest on lease liabilities	132	73
Interest on loans	-	3,049
	$ 11,517	$ 4,782

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 19,636	$ 20,048
Operating expenses	9,951	7,020
	$ 29,587	$ 27,068
An analysis of amortization by function		
Operating costs	$ 1,893	$ 2,203
Operating expenses	4,248	3,993
	$ 6,141	$ 6,196

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term benefits	$ 164,311	$ 166,525
Post-employment benefits (Note 20)		
Defined contribution plan	7,889	7,813
Defined benefit plans	(56)	(38)
Other employee benefits	32,721	33,299
Total employee benefits expense	$ 204,865	$ 207,599
An analysis of employee benefits expense by function		
Operating costs	$ 74,628	$ 79,593
Operating expenses	130,237	128,006
	$ 204,865	$ 207,599

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company's shareholders approved amendments to the Articles of Incorporation at the shareholders' meeting held on June 13, 2025, stipulating that at least 3% of the Company's profit before tax, prior to the deduction of employees' and directors' remuneration for the year, shall be appropriated as employees' remuneration, of which no less than 1.4% shall be allocated to non-managerial employees. The compensation of employees and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 11, 2026 and March 10, 2025, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	3.01%	3.24%
Remuneration of directors	2.89%	2.94%

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	$ 7,300	$ 11,000
Remuneration of directors	7,000	10,000

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 24,250	$ 26,855
Foreign exchange losses	(23,586)	(8,450)
Net foreign exchange gains	$ 664	$ 18,405

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current period	$ 56,495	$ 50,112
Income tax on unappropriated earnings	50	390
Adjustments for prior years	(3,619)	(1,875)
	52,926	48,627
Deferred tax		
In respect of the current period	(14,093)	6,212
Income tax expense recognized in profit or loss	$ 38,833	$ 54,839

The reconciliations of the accounting profit and income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax	$ 227,952	$ 318,584
Income tax expense calculated at the statutory rate	$ 45,591	$ 63,717
Nondeductible expenses in determining taxable income	(2,876)	(4,273)
Tax-exempt income	(367)	(16)
Nondeductible expenses in determining taxable income	54	-
Income tax on unappropriated earnings	50	390
Deferred tax effect of earnings of subsidiaries	-	(3,104)
Adjustments for prior years' tax	(3,619)	(1,875)
Income tax expense recognized in profit or loss	$ 38,833	$ 54,839

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ (1,286)	$ 6,093
Remeasurement of defined benefit plans	172	160
Total income tax recognized in other comprehensive income	$ (1,114)	$ 6,253

c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	$ 22,580	$ 17,056

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Exchange differences on translation of the financial statements of foreign operations	$ 4,689	$ -	$ 1,286	$ -	$ 5,975
Unrealized gains on transactions with associates	4,584	(290)	-	-	4,294
Payables for annual leave	102	78	-	-	180
Convertible bonds	1,070	(409)	-	-	661
Allowance for impairment of receivables	109	-	-	-	109
Allowance for financial assets at amortized cost	7	(5)	-	-	2
Losses on write-down of inventories	9,113	441	-	-	9,554
Unrealized foreign exchange loss	476	666	-	-	1,142
	$ 20,150	$ 481	$ 1,286	$ -	$ 21,917
Deferred tax liabilities					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	$ 48,746	$ (13,821)	$ -	$ -	$ 34,925
Defined benefit plans	137	11	172	-	320
Unrealized foreign exchange gain	2,522	198	-	-	2,720
	$ 51,405	$ (13,612)	$ 172	$ -	$ 37,965

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Exchange differences on translation of the financial statements of foreign operations	$ 10,782	$ -	$ (6,093)	$ -	$ 4,689
Defined benefit plans	31	(8)	-	(23)	-
Unrealized gains on transactions with associates	4,867	(283)	-	-	4,584
Payables for annual leave	96	6	-	-	102
Convertible bonds	-	-	-	1,070	1,070
Allowance for impairment of receivables	109	-	-	-	109
Allowance for financial assets at amortized cost	38	(31)	-	-	7
Losses on write-down of inventories	8,763	350	-	-	9,113
Unrealized foreign exchange loss	1,870	(1,394)	-	-	476
	$ 26,556	$ (1,360)	$ (6,093)	$ 1,047	$ 20,150
Deferred tax liabilities					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	$ 44,965	$ 3,781	$ -	$ -	$ 48,746
Defined benefit plans	-	-	160	(23)	137
Unrealized foreign exchange gain	1,451	1,071	-	-	2,522
	$ 46,416	$ 4,852	$ 160	$ (23)	$ 51,405

e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2025 and 2024, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $253,716 thousand and $160,507 thousand, respectively.

f. Income tax assessments

The tax returns through 2023 have been assessed by the tax authorities. As of December 31, 2025, the Company has no unsettled lawsuits in relation to tax.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic earnings per share	$ 3.32	$ 4.63
Diluted earnings per share	$ 3.31	$ 4.57

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on September 8, 2025. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2024 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 4.72	$ 4.63
Diluted earnings per share	$ 4.67	$ 4.57

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the year

	For the Year Ended December 31	
	2025	2024
Profit for the year attributable to owners of the Company	$ 189,119	$ 263,745
Effect of potentially dilutive ordinary shares:		
Effect of convertible bonds	-	(524)
	$ 189,119	$ 263,221

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	57,002	57,002
Effect of potentially dilutive ordinary shares:		
Convertible bonds	-	471
Compensation of employees	80	72
Weighted average number of ordinary shares used in the computation of diluted earnings per share	57,082	57,545

The Company may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share in 2025.

26. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Company entered into the following non-cash investing activities which were not reflected in the statements of cash flows for the years ended December 31, 2025 and 2024:

1) As of December 31, 2025 and 2024, the unsettled payments for the acquisition of property, plant and equipment were $2,034 thousand and $1,318 thousand, respectively, which were recorded as other payables.

2) As of December 31, 2025 and 2024, the unpaid amounts for the acquisition of computer software were both $205 thousand, and were recorded as other payables.

3) The Company issued convertible bonds on November 7, 2024, and recognized the following components: An asset component of NT$1,290 thousand (recorded as current financial assets measured at fair value through profit or loss), an equity component of NT$118,215 thousand (recorded as capital surplus - share warrants), and deferred tax assets of NT$1,070 thousand.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2025

	January 1, 2025	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Interest Expenses	Non-cash Changes: Tax Effect	Non-cash Changes: Discounts on Bonds Payable	Non-cash Changes: Others (Note)	December 31, 2025
Bonds payable	$ 466,790	$ -	$ -	$ 11,385	$ -	$ -	$ -	$ 478,175
Lease liabilities	4,879	(1,780)	1,680	132	-	-	(132)	4,779
Guarantee deposits	10	10	-	-	-	-	-	20
	$ 471,679	$ (1,770)	$ 1,680	$ 11,517	$ -	$ -	$ (132)	$ 482,974

For the year ended December 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Interest Expenses	Non-cash Changes: Tax Effect	Non-cash Changes: Discounts on Bonds Payable	Non-cash Changes: Others (Note)	December 31, 2024
Long-term borrowings and long-term borrowings due within one year	$ 176,923	$ (176,923)	$ -	$ -	$	$	$ -	$ -
Bonds payable	-	586,335	-	1,660	1,070	(116,925)	(5,350)	466,790
Lease liabilities	3,825	(968)	2,022	73	-	-	(73)	4,879
Guarantee deposits	10	-	-	-	-	-	-	10
	$ 180,758	$ 408,444	$ 2,022	$ 1,733	$ 1,070	$ (116,925)	$ (5,423)	$ 471,679

Note: Including issuance costs of convertible bonds amounting to $5,350 thousand.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, capital surplus, retained earnings, and other equity).

The Company is not subject to any externally imposed capital requirements.

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of new debt issued and existing debt redeemed.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Foreign corporate bonds	$ 9,390	$ -	$ 6,648	$ -	$ 6,648
Financial liabilities					
Financial liabilities at amortized cost					
Bonds payable	$ 478,175	$ -	$ -	$ 481,850	$ 481,850

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Foreign corporate bonds	$ 22,872	$ -	$ 19,926	$ -	$ 19,926
Financial liabilities					
Financial liabilities at amortized cost					
Bonds payable	$ 466,790	$ -	$ -	$ 469,100	$ 469,100

The fair values of the financial assets included in the Level 2 category above are determined with reference to the present value of investments as of the balance sheet date provided by financial institutions.

The fair value measurement of the Level 3 convertible bond liability assumes that the bond will be redeemed at maturity, with the risk discount rate evaluated based on the borrowing rate of industry-related companies.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 129,032	$ -	$ -	$ 129,032
Beneficiary certificates	4,920	-	-	4,920
Derivative				
Convertible bonds options (Note 18)	-	-	150	150
	$ 133,952	$ -	$ 150	$ 134,102

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 99,037	$ -	$ -	$ 99,037
Derivative				
Convertible bonds options (Note 18)	-	-	3,474	3,474
	$ 99,037	$ -	$ 3,474	$ 102,511

In 2025 and 2024, there were no transfers between Levels 1 and 2.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

	Derivative - Convertible Bonds Options
Financial assets	
Balance on January 1	$ 3,474
Recognized in profit or loss (included in other gains and losses)	(3,324)
Balance on December 31	$ 150
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ 3,324

For the year ended December 31, 2024

	Derivative - Convertible Bonds Options
Financial assets	
Balance on January 1	$ -
Additions	1,290
Recognized in profit or loss (included in other gains and losses)	2,184
Balance on December 31	$ 3,474
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ 2,184

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Category of Financial Instruments	Valuation Technique and Inputs
Redemption options of convertible bonds	Convertible bond valuation using the binomial tree model: Considering the bond's duration, the stock price and volatility of the underlying equity, the conversion price, risk-free rate, discount rate, and the liquidity risk of the convertible bond, among other factors.

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 134,102	$ 102,511
Financial assets at amortized cost (Note 1)	835,406	918,404
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	531,275	542,063

Note 1: The balances include financial assets measured at amortized cost, comprising cash and cash equivalents, notes receivable, trade receivables (including those from related parties), other receivables (including those from related parties but excluding VAT refund receivables), long-term trade receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, comprising notes payable, trade payables (including those to related parties), other payables (including those to related parties, excluding salaries and bonuses payable, employee compensation payable, directors' remuneration payable, labor and health insurance payables, tax payables, retirement benefits payable, and paid leave payable), bonds payable, and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, receivables, payables, borrowings, bonds payable and lease liabilities. The Company's financial department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's financial department reports quarterly to the board of directors, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates risk (see (a) below), interest rates risk (see (b) below), and other prices risk (see (c) below).

There have been no changes to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities exposing the Company to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Company was mainly exposed to fluctuations in the USD, RMB and the EUR.

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated when the New Taiwan dollar weakens 5% against the relevant currency. For a 5% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		RMB Impact		EUR Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2025	2024	2025	2024	2025	2024
Profit	$ 6,253	$ 12,896	$ 3,804	$ 1,846	$ 334	$ -

The profit above was mainly attributable to the foreign exchange exposure on the Company's outstanding USD, RMB and EUR denominated bank deposits, account receivables, other receivables, financial assets measured at amortized cost and account payables.

The Company's sensitivity to the USD decreased during the current year mainly because of a decrease in USD bank deposits and trade receivables.

The Company's sensitivity to the RMB increased during the current year mainly because of an increase in RMB bank deposits and trade receivables.

The Company's sensitivity to the EUR increased during the current year mainly because of an increase in EUR trade receivables.

b) Interest rate risk

The Company was exposed to interest rate risk because its bank deposits, financial assets at amortized cost, bank loans, bonds payable and lease liabilities are at fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 297,012	$ 442,360
Financial liabilities	482,954	471,669
Cash flow interest rate risk		
Financial assets	316,619	217,920

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been a 1% basis point higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would have increase/decrease by $3,166 thousand and $2,179 thousand, respectively, which would have been mainly attributable to the Company's exposure to interest rates on its floating-rate bank deposits.

The Company's sensitivity to interest rates increased during the current year mainly due to an increase in bank deposits bearing interest on variable interest rates.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities and beneficiary certificates.

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to equity prices at the end of the reporting period.

If the equity price of financial assets at FVTPL rises/falls by 1% and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would increase/decrease by $1,340 thousand and $990 thousand, respectively.

The Company's sensitivity to equity prices increased during the current year mainly due to the increase in the market price of equity securities held.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, in order to mitigate the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge an obligation, pertains to financial assets recognized in the balance sheets.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's concentration of credit risk of 29% and 44% of trade receivables and other receivables as of December 31, 2025 and 2024, respectively, was attributable to the Company's largest customer.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized bank loan facilities please set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables were drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables include both estimated interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 173	$ 345	$ 1,554	$ 2,824	$ -
Fixed interest rate liabilities	-	-	-	500,000	-
Non-interest bearing liabilities	13,342	39,758	-	-	-
	$ 13,515	$ 40,103	$ 1,554	$ 502,824	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 125	$ 249	$ 1,121	$ 3,549	$ -
Fixed interest rate liabilities	-	-	-	500,000	-
Non-interest bearing liabilities	13,614	61,659	-	-	-
	$ 13,739	$ 61,908	$ 1,121	$ 503,549	$ -

b) Loan commitments

	December 31	
	2025	2024
Unsecured bank credit		
Amount used	$ -	$ -
Amount unused	200,000	280,000
	$ 200,000	$ 280,000
Secured bank credit which may be extended by mutual agreement:		
Amount used	$ -	$ -
Amount unused	-	-
	$ -	$ -

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Relationship with the Company
Fine Automation Co., Ltd.	Subsidiary
Aplus Finetek Sensor Inc.	Subsidiary
Finetek Pte., Ltd.	Subsidiary
Finetek GmbH	Subsidiary
Muetec Instruments GmbH	Subsidiary
PT. Finetek Automation Indonesia	Subsidiary
Tenda Capital Inc	Subsidiary
Accurtech Co., Ltd.	Subsidiary
Yilan Wu Sha Culture Foundation	Related party in substance (the chairman of the foundation is the same individual as the chairman of the Company)

b. Revenue

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2025	2024
Sales revenue	Subsidiaries		
	Fine Automation Co., Ltd.	$ 103,996	$ 122,864
	Others	42,046	44,865
		$ 146,042	$ 167,729

The Company's selling prices for the sale of goods to related parties were negotiated with reference to the market prices in the respective regions, and the selling prices for non-related parties were determined based on the general market. The credit period for the sale of goods to related parties and non-related parties was 90-210 days after the month-end closing and date of advance collection till 150 days after the month-end closing, respectively.

c. Purchases of goods

	For the Year Ended December 31	
Related Party Category	2025	2024
Subsidiaries	$ 18,200	$ 24,811

The Company's purchase prices from the related parties were based on the regional market prices or cost-plus pricing. The prices to third parties were based on negotiations. Purchase payment terms are the same as those for unrelated parties.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Trade receivables	Subsidiaries		
	Fine Automation Co., Ltd.	$ 26,139	$ 32,108
	PT. Finetek Automation Indonesia	9,557	12,003
	Others	7,671	11,664
		$ 43,367	$ 55,775
Other receivables	Subsidiaries		
	Aplus Finetek Sensor Inc.	$ 69,654	$ 101,763
	Others	28	157
		$ 69,682	$ 101,920

The outstanding trade receivables from related parties were unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized on trade receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	December 31 2025	December 31 2024
Trade payables	Subsidiaries		
	Fine Automation Co., Ltd.	$ 5,409	$ 6,262
	Others	604	1,389
		$ 6,013	$ 7,651
Other payables	Subsidiaries		
	Aplus Finetek Sensor Inc.	$ 1,878	$ -
	Others	28	-
		$ 1,906	$ -

The outstanding trade payables from related parties are unsecured.

f. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31 2025	For the Year Ended December 31 2024
General and administrative expenses - donation	Related party in substance Yilan Wu Sha Culture Foundation	$ 2,000	$ 2,500
Other gains and losses - receipts of payments	Subsidiaries	$ 3,321	$ 2,131

g. Lease arrangements

Subsidiary Tenda Capital Inc leases office from the Company during 2025 and 2024 for a period of one year, with monthly rental payments. The rental income recognized in 2025 and 2024 were both $114 thousand, respectively; the security deposit received by the Company for leasing its office was recorded as a deposit of both $10 thousand as of December 31, 2025 and 2024.

Subsidiary Accurtech Co., Ltd. leases office from the Company during 2024 for a period of one year, with monthly rental payments. The rental income recognized in 2025 and 2024 were $114 thousand and $10 thousand. Security deposits received by the Company for leasing office premises are recorded under guarantee deposits received. As of December 31, 2025 and 2024, the balances amounted to $10 thousand and $0 thousand, respectively.

h. Compensation of key management personnel

	For the Year Ended December 31	
	2025	**2024**
Short-term employee benefits	$ 20,442	$ 23,473
Post-employment benefits	552	571
	$ 20,994	$ 24,044

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

None.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Acquisition of property, plant and equipment	$ 4,358	$ 5,929

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Company, and the exchange rates between the foreign currencies and the New Taiwan dollar are disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign Currency (Thousand)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,983	31.430 (USD:NTD)	$ 125,171
RMB	18,153	4.496 (RMB:NTD)	$ 81,615
EUR	198	36.900 (EUR:NTD)	$ 7,291
Non-monetary items			
Investments accounted for using the	15,725	31.430 (USD:NTD)	$ 472,751
equity method-subsidiaries	4,247	36.900 (EUR:NTD)	$ 156,704
	16,778,514	0.00180 (IDR:NTD)	$ 31,449
Financial liabilities			
Monetary items			
USD	3	31.430 (USD:NTD)	$ 102
RMB	1,230	4.496 (RMB:NTD)	$ 5,531
EUR	16	36.900 (EUR:NTD)	$ 604

December 31, 2024

	Foreign Currency (Thousand)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 8,340	32.785 (USD:NTD)	$ 273,452
RMB	8,267	4.478 (RMB:NTD)	$ 37,022
Non-monetary items			
Investments accounted for using the	16,885	32.785 (USD:NTD)	$ 553,587
equity method-subsidiaries	4,349	34.140 (EUR:NTD)	$ 148,474
	16,219,711	0.00230 (IDR:NTD)	$ 32,927
Financial liabilities			
Monetary items			
USD	474	32.785 (USD:NTD)	$ 15,542
RMB	1,191	4.478 (RMB:NTD)	$ 94

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange gains were $664 thousand and $18,405 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

b. Information on investees (Table 3)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 4)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 5)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

FINETEK CO., LTD. AND INVESTEES

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares (In Thousands of Shares)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
FineTek Co., Ltd.	Domestic listed shares							
	Morn Sun Feed Mill Corp.	The Chairman of the entity is a second-degree relative of the chairman of the Company	Financial assets at FVTPL - current	1,748	$ 104,352	3.95	$ 104,352	-
	SinoPac Financial Holdings Company Limited	None	Financial assets at FVTPL - current	250	7,150	-	7,150	-
	Mega Financial Holding Company Limited	None	Financial assets at FVTPL - current	218	8,708	-	8,708	-
	Foreign investments							
	Corporate bonds - AT&T	None	Financial assets at amortized cost - non-current	1	9,390	-	6,648	Note
Faco International Co., Ltd.	Foreign investments							
	Corporate bonds - AT&T	None	Financial assets at amortized cost - non-current	2	7,943	-	6,025	Note
Tenda Capital Inc	Domestic listed shares							
	Morn Sun Feed Mill Corp.	The Chairman of the entity is a second-degree relative of the chairman of the Company	Financial assets at FVTPL - current	172	10,261	0.39	10,261	-
	SinoPac Financial Holdings Company Limited	None	Financial assets at FVTPL - current	252	7,214	-	7,214	-
	Beneficiary certificates							
	Yuanta/P-shares Taiwan Top 50 ETF	None	Financial assets at FVTPL - current	130	8,528	-	8,528	-

Note: Refer to Note 28 (a) for information relating to the fair value measurement of foreign investments.

FINETEK CO., LTD. AND INVESTEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price (Note 2)	Payment Terms	Ending Balance	% of Total	
FineTek Co., Ltd.	Fine Automation Co., Ltd.	Parent company to subsidiary	(Sale)	$ (103,996)	(12)	90 days after the month-end closing when invoice is issued	Price set based on cost-plus pricing	Date of advance collection till 150 days after the month-end closing when invoice is issued	$ 26,139	18	(Note)
Fine Automation Co., Ltd.	FineTek Co., Ltd.	Subsidiary to parent company	Purchase	103,996	70	90 days after the month-end closing when invoice is issued	Price set based on cost-plus pricing	30-180 days after the month-end closing when invoice is issued when invoice is issued	(26,139)	(70)	(Note)

FINETEK CO., LTD. AND INVESTEES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2025	December 31, 2024	Number of Shares (In Thousands of Shares)	%	Carrying Amount			
The Company	Powerline Corp.	Samoa	Investment activities	$ 72,578 (US$ 2,211)	$ 72,578 (US$ 2,211)	1,811	100.00	$ 361,405	$ 21,134	$ 21,134	Subsidiary (Note 1)
	Golden Land International Corp.	Samoa	Investment activities	10,176 (US$ 340)	10,176 (US$ 340)	340	100.00	76,836	(5,071)	(5,071)	Subsidiary (Note 1)
	Gain Access Investments Ltd.	Samoa	Investment activities	38,685 (US$ 937)	38,685 (US$ 937)	937	100.00	34,510	1,328	1,328	Subsidiary (Note 1)
	PT. Finetek Automation Indonesia	Indonesia	Manufacturing and selling of transmitters, point switches and electronic terminals	48,335 (US$ 1,596)	48,335 (US$ 1,596)	1,725	99.70	31,449	974	971	Subsidiary (Note 1)
	Finetek GmbH	Germany	Sale of transmitters, point switches and electronic terminals	128,655 (US$ 4,129)	128,655 (US$ 4,129)	-	100.00	156,704	(3,598)	(3,598)	Subsidiary (Note 1)
	Tenda Capital Inc	ROC	Investment	100,000	50,000	10,000	100.00	107,101	5,129	5,129	Subsidiary (Note 1)
	Accurtech Co., Ltd.	ROC	Manufacturing and selling of transmitters, point switches and electronic terminals	10,000	10,000	1,000	100.00	9,172	(820)	(820)	Subsidiary (Note 1)
Golden Land International Corp.	Aplus Finetek Sensor Inc.	U.S.A.	Sale of transmitters, point switches and electronic terminals	9,995 (US$ 331)	9,995 (US$ 331)	500	100.00	76,591	(5,064)	(5,064)	Second-tier subsidiary (Note 1)
Powerline Corp.	Faco International Co., Ltd.	British Virgin Islands	Investment activities	59,240 (US$ 1,811)	59,240 (US$ 1,811)	1,811	100.00	382,668	20,213	20,213	Second-tier subsidiary (Note 1)
Faco International Co., Ltd.	Finetek Pte., Ltd.	Singapore	Sale of transmitters, point switches and electronic terminals	24,247 (US$ 745)	24,247 (US$ 745)	1,672	100.00	11,637	(1,655)	(1,655)	Third-tier subsidiary (Note 1)
Finetek GmbH	Muetec Instruments GmbH	Germany	Sale of transmitters, point switches and electronic terminals	112,425 (EUR 3,256)	112,425 (EUR 3,256)	-	100.00	147,388	126	(3,395)	Second-tier subsidiary (Note 1)

Note 1: Amounts were recognized based on the audited financial statements.

Note 2: The amounts above are listed in the New Taiwan dollars. Foreign currencies are translated into NTD using the spot exchange rate at the balance sheet date, and the profits/losses are translated into NTD using the average exchange rate in the reporting period.

Note 3: Refer to Table 4 for information relating to investment in mainland China.

FINETEK CO., LTD. AND INVESTEES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2025 (Notes 3 and 4)	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2025 (Notes 3 and 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025 (Note 2)	Accumulated Repatriation of Investment Income as of December 31, 2025 (Note 7)	Note
					Outward	Inward							
Fine Automation Co., Ltd.	Designing, manufacturing and selling of transmitters, point switches and electronic terminals	$ 70,950 (US$ 2,230)	Note 1 (b)	$ 24,372 (US$ 720)	$ -	$ -	$ 24,372 (US$ 720)	$ 20,150	100	$ 20,150	$ 342,424	$ 338,601	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 24,372 (US$ 720) (Notes 3 and 7)	$ 70,950 (US$ 2,230) (Note 4)	$ 1,151,549 (Note 5)

Note 1: The methods of investment in mainland China are categorized into the following:

a. Direct investment in mainland China.
b. Indirect investment in mainland China through companies registered in a third region (Powerline Corp.’s reinvestment in mainland China through investment in Faco International Co., Ltd.).
c. Other methods.

Note 2: Amount was recognized based on the audited financial statements.

Note 3: The amounts were translated into foreign currencies using the exchange rates prevailing on the remittance dates.

Note 4: Approval letter No. 092044421, 10100385930 and 10300286220. As of December 31, 2025, the original investment amount totaled NT$70,950 thousand (US$2,230 thousand), comprising accumulated outward remittances from Taiwan of NT$24,372 thousand (US$720 thousand) and capitalization of retained earnings of NT$46,578 thousand (US$1,510 thousand).

Note 5: Pursuant to Order No. 09704604680 issued by the FSC, the amount above was calculated based on 60% of the Group’s net equity as of December 31, 2025. ($1,919,248 thousand × 60% = $1,151,549 thousand).

Note 6: In December 2025, Fine Automation Co., Ltd. distributed earnings of RMB18,971 thousand (equivalent to NT$83,870 thousand) to its parent company, Faco International Co., Ltd., which were subsequently distributed to the Company through Faco International Co., Ltd. and Powerline Corp., the distribution has been duly filed for recordation under Approval No. 11420207520.

Note 7: Not deduct accumulated repatriation of investment income of $338,601 thousand.

FINETEK CO., LTD. AND INVESTEES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The amounts and percentages of purchases and the balances and percentages of the related payables at the end of the year, and

2. The amounts and percentages of sales and the balances and percentages of the related receivables at the end of the year:

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss (Note)
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Fine Automation Co., Ltd.	Sales	$ 103,996	12	Price set based on cost-plus pricing	90 days after the month-end closing when invoice is issued	Not significantly different from those of sales to third parties	$ 26,139	18	$ 20,275
	Purchases	13,476	4	Price set based on cost-plus pricing	90 days after the month-end closing when invoice is issued	Not significantly different from those of purchases from third parties	(5,409)	14	-

3. The amount of property transactions and the amount of the resultant gains or losses: None.

4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and their purposes: None.

5. The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

6. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

FINETEK CO., LTD.

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FINETEK CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Summary	Amount
Cash on hand		$ 568
Bank deposits		
Checking accounts		16
Demand deposits		235,581
Foreign currency deposits	Including US$661 thousand; RMB12,334 thousand; EUR111 thousand, etc.	81,038
Cash equivalents		
Time deposits with original maturities within 3 months		200,000
		$ 517,203

Note: Amounts were translated into NTD using the exchange rates as follows:

USD/NTD = 31.430.
RMB/NTD = 4.496.
EUR/NTD = 36.90.

FINETEK CO., LTD.

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Summary	Amount
Non-related parties		
Jun-Chang Environment Consultant Co., Ltd.	Payments	$ 1,468
Asia Kingdom Machinery Industry Co., Ltd.	Payments	1,295
Karo's Industrial Co., Ltd.	Payments	640
Ta Te Engineering Co., Ltd.	Payments	580
Others (Note)	Payments	7,389
		$ 11,372

Note: The balance of each individual client included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Client Name	Summary	Amount
Non-related parties		
Ablecom Technology Inc.	Payments	$ 10,433
Greatland Electronics Taiwan Ltd.	Payments	9,671
Chunghwa Telecom Co., Ltd. Taipei Operations Office	Payments	5,499
Others (Note)	Payments	66,277
Less: Allowance for impairment loss		(338)
		$ 91,542
Related parties		
Fine Automation Co., Ltd.	Payments	$ 26,139
PT. Finetek Automation Indonesia	Payments	9,557
Aplus Finetek Sensor Inc.	Payments	4,160
Finetek Pte., Ltd.	Payments	2,912
Others (Note)	Payments	599
		$ 43,367

Note: The balance of each individual client included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value (Note)
Merchandise inventory	$ 1,636	$ 1,340
Finished goods	133,831	105,300
Work in progress	16,788	16,741
Raw materials	53,699	34,801
	205,954	$ 158,182
Less: Allowance for inventory write-downs	(47,772)	
	$ 158,182	

Note: Please refer to Note 4(e).

FINETEK CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT AMORTIZED COST
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name	Summary		Balance, January 1, 2025		Increase in the Current Year		Reclassified in the Current Year		Balance, December 31, 2025		Collateral
	Interest Payment Date	Principal Payment Date	Number of Units	Carrying Amount	Number of Units	Amount	Number of Units	Amount	Number of Units	Carrying Amount	
Non-current											
Corporate bonds - AT&T	Annually on March 15 and September 15	September 15, 2059	1	$ 9,784	-	$ -	-	$ (394)	1	$ 9,390	Nil

Note: The decrease in the current year was due to the amortization of discounts and reversal of expected credit losses.

FINETEK CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Name	Balance, January 1, 2025		Increase in the Current Year		Decrease in the Current Year		Share of Profit or Loss of Subsidiaries	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Balance, December 31, 2025			Market Value or Net Asset Value (Note 1)		Collateral
	Number of Shares (In Thousands of Shares)	Amount	Number of Shares (In Thousands of Shares)	Amount	Number of Shares (In Thousands of Shares)	Amount			Number of Shares (In Thousands of Shares)	%	Amount	Unit Price (NT$)	Total Amount	
Powerline Corp. (Note 2)	1,811	$ 433,505	-	$ 22,922	-	$ (105,344)	$ 21,134	$ (10,812)	1,811	100.00	$ 361,405	211	$ 382,880	Nil
Golden Land International Corp.	340	85,480	-	-	-	-	(5,071)	(3,573)	340	100.00	76,836	226	76,836	Nil
Gain Access Investments Ltd.	937	34,602	-	-	-	-	1,328	(1,420)	937	100.00	34,510	37	34,510	Nil
PT. Finetek Automation Indonesia	1,725	32,927	-	-	-	-	971	(2,449)	1,725	99.70	31,449	18	31,449	Nil
Finetek GmbH	-	148,474	-	-	-	-	(3,598)	11,828	-	100.00	156,704	-	156,704	Nil
Tenda Capital Inc. (Note 3)	5,000	55,472	5,000	50,000	-	(3,500)	5,129	-	10,000	100.00	107,101	11	107,101	Nil
Accurtech Co., Ltd.	1,000	9,992	-	-	-	-	(820)	-	1,000	100.00	9,172	9	9,172	Nil
		$ 800,452		$ 72,922		$ (108,844)	$ 19,073	$ (6,426)			$ 777,177		$ 798,652	

Note 1: Amount was estimated based on the net asset value of the investee company as of December 31, 2025 as shown on the financial statements which have been audited by the auditor of the parent company for the same periods and adjusted for unrealized gain on intercompany transactions.

Note 2: Powerline Corp. increase in the current year was due to the reversal of the unrealized sales profit of $22,922 thousand from downstream transactions with its subsidiaries; the decrease in the current year was due to the unrealized sales profit of $21,474 thousand from downstream transactions with its subsidiaries and repatriation of earnings amounting to $83,870 thousand.

Note 3: The increase during the year was mainly attributable to a cash capital injection of $50,000 thousand in Tenda Capital Inc. the decrease during the year was primarily due to the repatriation of earnings amounting to $3,500 thousand.

FINETEK CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance on January 1, 2025	Increase in the Current Year	Decrease in the Current Year	Balance on December 31, 2025	Note
Transportation	$ 5,839	$ 1,680	$ -	$ 7,519	Nil

STATEMENT 8

FINETEK CO., LTD.

STATEMENT OF ACCUMULATED DEPRECIATION CHANGES OF RIGHT-OF-USE ASSETS FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Balance on January 1, 2025	Increase in the Current Year	Decrease in the Current Year	Balance on December 31, 2025	Note
Transportation	$ 995	$ 1,811	$ -	$ 2,806	Nil

FINETEK CO., LTD.

STATEMENT OF CONTRACT LIABILITIES - CURRENT
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Summary	Amount
Non-related parties		
Shanghai Juniper	Payments	$ 1,600
Hugest Holdings Limited	Payments	1,313
AC/DC	Payments	1,193
Others (Note)	Payments	3,541
		$ 7,647

Note: The balance of each individual vendor included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Summary	Amount
Non-related parties		
He-An Technology Ltd.	Payments	$ 1,155
Shang Da Aluminum Co., Ltd.	Payments	431
Junxuan Industrial Co., Ltd.	Payments	392
Ten Chance Ent Co., Ltd.	Payments	390
Hong Rui Enterprise Co., Ltd.	Payments	370
TAI RAN Technology Co., Ltd.	Payments	310
Yi-Tong Technology Co., Ltd.	Payments	228
Others (Note)	Payments	464
		$ 3,740

Note: The balance of each individual vendor included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Non-related parties	
Lhia Horng Steel Mold MFG Corp.	$ 2,580
Chi Jhou Precision Machinery Co., Ltd.	2,482
Excel Cell Electronic Co., Ltd.	1,874
Others (Note)	21,163
	$ 28,099
Related parties	
Fine Automation Co., Ltd.	$ 5,409
Muetec Instruments GmbH	604
	$ 6,013

Note: The balance of each individual vendor included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Summary	Lease Term	Discount Rates	Balance on December 31, 2025	Note
Transportation	Official vehicles	December 2023 - April 2030	1.85%-1.975%	$ 4,779	Nil
Less: Due within one year				(1,998)	
				$ 2,781	

FINETEK CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Process automated sensor development	$ 754,863
Pneumatic control system	34,816
Others (Note)	66,684
Less: Sales returns and allowances	(1,030)
	$ 855,333

Note: The balance of each individual item included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise inventory, beginning of year	$ 536
Additions: Merchandise inventory purchased	106,733
Deductions: Merchandise inventory, end of year	(1,636)
Cost of goods purchased (a)	105,633
Raw materials, beginning of year	47,892
Additions: Raw material and supplies purchased	207,795
Deductions: Raw materials and supplies, end of year	(53,699)
Loss on physical finished goods	(2)
Loss on disposal of raw materials and supplies	(337)
Transferred to expenses	1,694
Cost of raw material and supplies used	203,343
Direct labor	42,804
Manufacturing expense	102,627
Manufacturing cost	348,774
Work in progress, beginning of year	29,763
Deductions: Work in progress, end of year	(16,788)
Cost of finished goods	361,749
Finished goods, beginning of year	117,661
Deductions: Finished goods, end of year	(133,831)
Loss on physical finished goods	(3)
Loss on disposal of finished goods	(2,933)
Transferred to expenses	(5,074)
Cost of goods manufacturing (b)	337,569
Other operating costs (c)	1,996
Disposal of inventory (d)	3,270
Write-down of inventories (e)	2,207
Loss on physical inventory (f)	5
Operating costs (a) + (b) + (c) + (d) + (e) + (f)	$ 450,680

FINETEK CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Reversed Gain
Payroll and bonus expense (Note 1)	$ 44,654	$ 31,661	$ 34,092	$ -
Delivery expense	12,890	27	73	-
Advertising expenses.	12,840	57	-	-
Professional service fees	-	4,797	2,233	-
Donations	-	4,188	-	-
Insurance	4,937	3,030	3,385	-
Depreciation	3,448	2,901	3,602	-
Expected credit loss	-	-	-	328
Others (Note 2)	20,278	14,242	18,136	-
	$ 99,047	$ 60,903	$ 61,521	$ 328

Note 1: Including pension costs and directors' remuneration.

Note 2: The balance of each individual item included in others does not exceed 5% of the account balance.

FINETEK CO., LTD.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	$ 59,071	$ 97,245	$ 156,316	$ 62,884	$ 92,837	$ 155,721
Labor and health insurance	7,258	11,129	18,387	7,531	10,020	17,551
Pension	2,665	5,168	7,833	3,005	4,770	7,775
Directors' remuneration	-	7,994	7,994	-	10,804	10,804
Others	5,634	8,700	14,334	6,173	9,575	15,748
	$ 74,628	$ 130,236	$ 204,864	$ 79,593	$ 128,006	$ 207,599
Depreciation expense	$ 19,636	$ 9,951	$ 29,587	$ 20,048	$ 7,020	$ 27,068
Amortization expense	$ 1,893	$ 4,248	$ 6,141	$ 2,203	$ 3,993	$ 6,196

Note 1: For the years ended December 31, 2025 and 2024, the Company had 248 and 262 employees, respectively, of which 5 directors were not concurrently serving as employees, respectively.

Note 2:

a. For the years ended December 31, 2025 and 2024, the average employee benefits expense (excluding directors' remuneration) was $810 thousand and $766 thousand, respectively.

b. For the years ended December 31, 2025 and 2024, the average employee's salary and bonus was $643 thousand and $606 thousand, respectively.

c. The average employees' salary and bonus increased by 6.11% in 2025 from the previous year.

d. The Company has no supervisor.

e. The Company's policies on the remuneration and salary of directors, managers and employees are as follows:

The Company's policies on the remuneration and salary of directors, managers, and employees are based on the positions and responsibilities, and individual performance and the Company's operating performance, and use of industry standards as reference.

In accordance with the Company's Articles of Incorporation, where the Company has profit for the year, no less than 3% shall be appropriated as employees' remuneration, of which no less than 1.4% shall be allocated to non-managerial employees. Such remuneration shall be distributed in the form of shares or cash as resolved by the board of directors, and the recipients may include employees of the Company's subsidiaries who meet certain criteria.

With reference to the extent of directors' participation in the Company's operations and the value of their contributions, the board of directors may allocate no higher than 3% of profit as remuneration of directors.