FineTek Co., Ltd. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, FineTek Co., Ltd. do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

FINETEK CO., LTD.

By

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TING-KUO WU
Chairman

March 11, 2026

Deloitte.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

The consolidated operating revenue of the Group for the year ended December 31, 2025 amounted to $1,235,729 thousand. Among this, sales to key customers with individually significant revenue contributions had a material impact on the consolidated financial statements. In order to meet the expectations of shareholders and external investors, the Group's management may be under pressure to achieve profit targets. 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(o) to the consolidated financial statements for the accounting policies related to revenue recognition and Note 25 for the relevant disclosures of 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.

Other Matter

We have also audited the parent company only financial statements of FineTek Co., Ltd. as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group 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 consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

FINETEK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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)	$ 840,267	32	$ 1,058,388	39
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	209,707	8	142,289	6
Financial assets at amortized cost - current (Notes 4, 8, 9 and 34)	133,044	5	81,276	3
Notes receivable (Notes 4, 10 and 25)	22,593	1	27,661	1
Trade receivables (Notes 4, 10, 25 and 34)	173,804	7	216,231	8
Other receivables (Notes 4 and 10)	3,112	-	2,965	-
Current tax assets (Notes 4 and 27)	1,095	-	1,278	-
Inventories (Notes 4 and 11)	246,692	9	235,691	9
Other current assets (Notes 4 and 18)	10,586	-	6,744	-
Total current assets	1,640,900	62	1,772,523	66
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 9)	124,911	5	82,325	3
Property, plant and equipment (Notes 4 and 13)	719,582	27	730,605	27
Right-of-use assets (Notes 4 and 14)	13,017	-	16,052	1
Investment properties (Notes 4 and 15)	6,858	-	8,374	-
Goodwill (Notes 4 and 16)	40,669	2	37,706	1
Other intangible assets (Notes 4 and 17)	26,664	1	14,905	-
Deferred tax assets (Notes 4 and 27)	23,334	1	21,721	1
Long term trade receivables (Notes 4, 10 and 25)	34,622	1	1,241	-
Other non-current assets (Notes 4, 18 and 23)	17,047	1	16,050	1
Total non-current assets	1,006,704	38	928,979	34
TOTAL	$ 2,647,604	100	$ 2,701,502	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 25)	$ 14,851	1	$ 18,475	1
Notes payable (Note 20)	3,740	-	3,785	-
Trade payables (Note 20)	44,026	2	64,110	2
Other payables (Note 22)	85,203	3	99,405	4
Current tax liabilities (Notes 4 and 27)	25,229	1	21,639	1
Lease liabilities - current (Notes 4 and 14)	3,340	-	4,046	-
Long-term borrowings due within one year (Notes 4, 19 and 34)	9,564	-	-	-
Other current liabilities	374	-	339	-
Total current liabilities	186,327	7	211,799	8
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 21)	478,175	18	466,790	17
Long-term borrowings (Notes 4, 19 and 34)	19,956	1	-	-
Deferred tax liabilities (Notes 4 and 27)	37,965	2	51,441	2
Lease liabilities - non-current (Notes 4 and 14)	4,783	-	6,784	-
Other non-current liabilities (Note 25)	1,150	-	978	-
Total non-current liabilities	542,029	21	525,993	19
Total liabilities	728,356	28	737,792	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	570,025	21	558,848	21
Capital surplus	445,121	17	445,121	16
Retained earnings				
Legal reserve	358,759	13	332,319	12
Special reserve	31,102	1	55,477	2
Unappropriated earnings	550,388	21	602,948	23
Total retained earnings	940,249	35	990,744	37
Other equity				
Exchange differences on translation of foreign operations	(36,242)	(1)	(31,102)	(1)
Total equity attributable to owners of the Company	1,919,153	72	1,963,611	73
NON-CONTROLLING INTERESTS (Note 24)	95	-	99	-
Total equity	1,919,248	72	1,963,710	73
TOTAL	$ 2,647,604	100	$ 2,701,502	100

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

FINETEK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 and 25)	$ 1,235,729	100	$ 1,280,299	100
OPERATING COSTS (Notes 11, 17 and 26)	581,306	47	581,359	45
GROSS PROFIT	654,423	53	698,940	55
OPERATING EXPENSES (Notes 9, 17, 26 and 33)				
Selling and marketing expenses	281,154	23	244,218	19
General and administrative expenses	113,784	9	104,312	8
Research and development expenses	78,633	7	78,845	7
Expected credit loss	1,178	-	890	-
Total operating expenses	474,749	39	428,265	34
PROFIT FROM OPERATIONS	179,674	14	270,675	21
NON-OPERATING INCOME AND EXPENSES (Notes 4, 9 and 26)				
Interest income	13,669	1	11,645	1
Other income	24,127	2	15,725	1
Other gains and losses	24,560	2	38,099	3
Finance costs	(13,227)	(1)	(5,065)	-
Total non-operating income and expenses	49,129	4	60,404	5
PROFIT BEFORE INCOME TAX	228,803	18	331,079	26
INCOME TAX EXPENSE (Notes 4 and 27)	(39,681)	(3)	(67,334)	(5)
NET PROFIT FOR THE YEAR	189,122	15	263,745	21
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 23, 24 and 27)				
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	-

(Continued)

FINETEK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ (6,433)	-	$ 30,471	2
Income tax relating to items that may be reclassified subsequently to profit or loss	1,286	-	(6,093)	-
	(5,147)	-	24,378	2
Other comprehensive income (loss) for the year, net of income tax	(4,457)	-	25,018	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 184,665	15	$ 288,763	23
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 189,119	15	$ 263,745	21
Non-controlling interests	3	-	-	-
	$ 189,122	15	$ 263,745	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 184,669	15	$ 288,760	23
Non-controlling interests	(4)	-	3	-
	$ 184,665	15	$ 288,763	23
EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	$ 3.32		$ 4.63	
Diluted	$ 3.31		$ 4.57	

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

FINETEK CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								
			Retained Earnings			Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	$ 547,890	$ 326,906	$ 305,529	$ 52,271	$ 598,673	$ (55,477)	$ 1,775,792	$ 96	$ 1,775,888
Appropriation of 2023 earnings (Note 24)									
Legal reserve	-	-	26,790	-	(26,790)	-	-	-	-
Special reserve	-	-	-	3,206	(3,206)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(219,156)	-	(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 21 and 24)	-	118,215	-	-	-	-	118,215	-	118,215
Net profit for the year ended December 31, 2024	-	-	-	-	263,745	-	263,745	-	263,745
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	640	24,375	25,015	3	25,018
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	264,385	24,375	288,760	3	288,763
BALANCE AT DECEMBER 31, 2024	558,848	445,121	332,319	55,477	602,948	(31,102)	1,963,611	99	1,963,710
Appropriation of 2024 earnings (Note 24)									
Legal reserve	-	-	26,440	-	(26,440)	-	-	-	-
Special reserve	-	-	-	(24,375)	24,375	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(229,127)	-	(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	3	189,122
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	690	(5,140)	(4,450)	(7)	(4,457)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	189,809	(5,140)	184,669	(4)	184,665
BALANCE AT DECEMBER 31, 2025	$ 570,025	$ 445,121	$ 358,759	$ 31,102	$ 550,388	$ (36,242)	$ 1,919,153	$ 95	$ 1,919,248

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

FINETEK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	$ 228,803	$ 331,079
Adjustments for:		
Depreciation expense	46,729	43,635
Amortization expense	11,835	9,358
Expected credit loss	1,110	507
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(22,323)	(18,772)
Finance costs	13,227	5,065
Interest income	(13,669)	(11,645)
Dividend income	(7,197)	(4,726)
(Gain) loss on disposal of property, plant and equipment	(15)	59
Write-downs of inventories	1,429	4,176
Net gain on foreign currency exchange	(5,870)	(15,173)
Gain on lease modification	(5)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(45,095)	(16,963)
Notes receivable	4,478	5,806
Trade receivables	6,148	23,259
Other receivables	208	1,597
Inventories	3,090	(15,555)
Other current assets	(3,842)	(936)
Net defined benefit assets	(56)	(38)
Contract liabilities	(3,416)	603
Notes payable	(45)	(118)
Trade payables	(19,915)	(9,845)
Other payables	(15,105)	5,324
Other current liabilities	35	(295)
Cash generated from operations	180,539	336,402
Interest received	13,314	11,385
Dividends received	7,197	4,726
Interest paid	(1,842)	(3,584)
Income tax paid	(52,326)	(61,200)
Net cash generated from operating activities	146,882	287,729
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(161,039)	(4,871)
Proceeds from disposal of financial assets at amortized cost	61,500	30,844
Cash paid for business combinations (Note 29)	(34,171)	-
Payments for property, plant and equipment	(27,993)	(19,462)
Proceeds from disposal of property, plant and equipment	180	40
Increase in refundable deposits	-	(1,638)
Decrease in refundable deposits	1,536	-

(Continued)

FINETEK CO., LTD. AND SUBSIDIARIES

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

	2025	2024
Payments for intangible assets	$ (4,462)	$ (3,404)
Increase in prepayments for equipment	(3,319)	(2,240)
Net cash used in investing activities	(167,768)	(731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bonds	-	586,335
Payments for transaction costs attributable to the issuance of bonds	-	(5,350)
Proceeds from long-term borrowings	29,520	-
Repayment from long-term borrowings	-	(176,923)
Repayment of the principal portion of lease liabilities	(4,280)	(3,402)
Dividends paid to owners of the Company	(229,127)	(219,156)
Net cash (used in) generated from financing activities	(203,887)	181,504
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	6,652	21,282
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(218,121)	489,784
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,058,388	568,604
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 840,267	$ 1,058,388

The accompanying notes are an integral part of the consolidated 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 consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated 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 Group'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 consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group'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 Group 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 Group 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 Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group 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 Group as a whole, the Group 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 Group 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 Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the other impacts of the above amended standards and interpretations on the Group'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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated 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.

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 are 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 Group 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Refer to Note 12, Table 4 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity'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 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 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.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries in other countries that use currencies which are 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.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. 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.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured 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 are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for 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.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. 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 estimate 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.

l. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, 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 Group estimates the recoverable amount of the cash-generating unit 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 assets 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 for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when a group entity 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 32.

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, other receivables (excluding VAT refund receivables), long-term notes 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 Group 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 Group always recognizes lifetime expected credit losses (ECLs) for notes receivable and trade receivables. For all other financial instruments, the Group 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 Group 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 Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

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 Group 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 Group 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 Group 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 Group 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 a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group 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.

o. Revenue recognition

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

p. Leases

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group 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 consolidated 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 Group 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 Group 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 consolidated balance sheets.

q. Borrowing costs

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

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group 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 Group 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 Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

s. 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 defined contribution retirement benefit plans are recognized as expenses 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 Group’s defined benefit plans. 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.

t. Share-based payment arrangements

Employee share options are recognized as expense on a straight-line basis over the vesting period based on the fair value and the expected best estimated quantity of the equity instruments at the grant date, with a simultaneous adjustment to capital surplus - employee share options. If it is immediately vested on the grant date, the full amount will be recognized as expenses. The grant date of treasury shares transferred to employees is the date on which the employees are informed.

u. 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 as income tax in the year the shareholders approve the retention of 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 consolidated 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 Group is able to control the reversal of the temporary difference and it is probable that the temporary difference 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 assets to be recovered. Any previously unrecognized deferred tax asset is 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 asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in 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 that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes 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 Group'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 to be relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation, 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.

The accounting policies, estimates and underlying assumptions used by the Group, 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	$ 1,352	$ 1,305
Checking accounts and demand deposits	483,303	472,157
Cash equivalents (investments with original maturities within 3 months or less)		
Time deposits	355,612	584,926
	$ 840,267	$ 1,058,388

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%-1.900%	0.001%-1.450%
Bank time deposits	1.200%-1.625%	0.129%-1.720%

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	$ 191,040	$ 133,633
Beneficiary certificates	18,517	5,182
Derivative financial assets (not under hedge accounting)		
Options of convertible bonds (Note 21)	150	3,474
	$ 209,707	$ 142,289

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current (Note)		
Time deposits with original maturities of more than 3 months	$ 133,044	$ 51,837
Pledged bank deposits (Note 34)	-	4
Corporate bonds - Deutsche Bank (a)	-	22,888
Corporate bonds - Société Générale (b)	-	6,547
	$ 133,044	$ 81,276
Non-current		
Time deposits with original maturities of more than 1 year	$ 102,721	$ 59,211
Corporate bonds - AT&T (c)	17,333	18,055
National debt of the United States (d)	4,857	5,059
	$ 124,911	$ 82,325

Note: The Group 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 Group has no need to recognize expected credit loss on financial assets at amortized cost.

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

	December 31	
	2025	2024
Total carrying amount	$ -	$ 22,888
Total par value (in thousands of U.S. dollars)	$ -	$ 700
Coupon rate	-	4.50%
Effective interest rate	-	4.47%-4.61%
Holding period	-	2015.10.21-2025.4.1

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

	December 31	
	2025	**2024**
Total carrying amount	$ 17,333	$ 18,055
Total par value (in thousands of U.S. dollars)	$ 610	$ 610
Coupon rate	3.65%	3.65%
Effective interest rate	3.48%-4.95%	3.48%-4.95%
Holding period	2021.3.11-2059.9.15	2021.3.11-2059.9.15

d. The Group's investments in bonds issued by National debt of the United States were as follows:

	December 31	
	2025	**2024**
Total carrying amount	$ 4,857	$ 5,059
Total par value (in thousands of U.S. dollars)	$ 160	$ 160
Coupon rate	4.00%	4.00%
Effective interest rate	4.29%	4.29%
Holding period	2024.3.4-2042.11.15	2024.3.4-2042.11.15

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	$ 257,974	$ 163,690
Less: Allowance for impairment loss	(19)	(89)
Amortized cost	$ 257,955	$ 163,601

The Group's policy is to only invest in debt instruments issued by entities with good credit standing. The Group 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 Group 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 Group's exposure and the external credit ratings are continuously monitored. The Group 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 Group 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 Group'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%	$ 257,974
Doubtful	-	-
In default	-	-
Write-off	-	-
		$ 257,974

December 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.25%	$ 163,690
Doubtful	-	-
In default	-	-
Write-off	-	-
		$ 163,690

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 at January 1, 2025	$ 89	$ -	$ -
Change in model or risk parameters	(68)	-	-
Change in exchange rates or others	(2)	-	-
Balance at December 31, 2025	$ 19	$ -	$ -
Balance at January 1, 2024	$ 459	$ -	$ -
Change in model or risk parameters	(383)	-	-
Change in exchange rates or others	13	-	-
Balance at December 31, 2024	$ 89	$ -	$ -

The Group considered the credit rating information supplied by independent rating agencies, due to the changes in credit risk parameters, the Group recognized an expected credit (reversed gain) of $(68) thousand and $(383) 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	$ 22,593	$ 27,414
Less: Allowance for impairment loss	-	-
	22,593	27,414
Current portion of long-term notes receivable	-	247
Less: Allowance for impairment loss	-	-
	$ 22,593	$ 27,661
Trade receivables		
At amortized cost		
Gross carrying amount	$ 171,765	$ 218,260
Less: Allowance for impairment loss	(2,955)	(2,029)
	168,810	216,231
Add: Current portion of long-term receivables	4,994	-
Less: Allowance for impairment loss	-	-
	$ 173,804	$ 216,231

(Continued)

	December 31	
	2025	2024
Long-term trade receivables		
At amortized cost		
Gross carrying amount	$ 36,899	$ 1,394
Less: Allowance for impairment loss	-	-
Less: Unrealized interest income	(2,277)	(153)
	$ 34,622	$ 1,241
Other receivables		
VAT refund receivables	$ 161	$ 953
Interest receivables	1,517	1,162
Others	1,434	850
	$ 3,112	$ 2,965

a. Notes receivable

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

The Group 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 Group 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	$ 18,612	$ 21,272
91 to 180 days	3,981	6,275
181 to 365 days	-	114
	$ 22,593	$ 27,661

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 0-180 days.

In order to minimize credit risk, the management of the Group 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 Group 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 Group's credit risk was significantly reduced.

The Group 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 Group'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 Group's different customer base.

The Group 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 Group 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 and long-term trade receivables based on the Group'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	0.008%-0.17%	0.092%-0.97%	0.44%-7.26%	2.10%-15.39%	25.57%-54.19%	100%	
Gross carrying amount	$ 176,359	$ 26,816	$ 4,187	$ 455	$ 1,129	$ 2,435	$ 211,381
Loss allowance (Lifetime ECL)	(15)	(46)	(30)	(43)	(386)	(2,435)	(2,955)
Amortized cost	$ 176,344	$ 26,770	$ 4,157	$ 412	$ 743	$ -	$ 208,426

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	0.001%-1.41%	0.0002%-2.51%	0.68%-13.00%	5.37%-25.77%	19.31%-84.12%	100%	
Gross carrying amount	$ 193,196	$ 19,137	$ 2,575	$ 2,265	$ 825	$ 1,503	$ 219,501
Loss allowance (Lifetime ECL)	(26)	(39)	(27)	(92)	(342)	(1,503)	(2,029)
Amortized cost	$ 193,170	$ 19,098	$ 2,548	$ 2,173	$ 483	$ -	$ 217,472

The above aging schedule was based on the number of days past due from the end of the credit term.

The movements of the loss allowance of trade receivables (including overdue receivables) were as follows:

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 2,029	$ 2,368
Add: Net remeasurement of loss allowance	1,178	890
Less: Amounts written off	(277)	(1,302)
Foreign exchange gains and losses	25	73
Balance at December 31	$ 2,955	$ 2,029

Refer to Note 34 for information relating to trade receivables pledged as security.

c. Other receivables

Other receivables consist of interest receivables and VAT refund receivables, and the Group's policy is to transact only with creditworthy counterparties. The Group 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 Group assessed that there is no need to recognize expected credit loss on other receivables.

11. INVENTORIES

	December 31	
	2025	2024
Merchandise inventory	$ 4,921	$ 10,261
Finished goods	153,800	143,938
Work in progress	18,687	32,916
Raw materials	69,284	48,576
	$ 246,692	$ 235,691

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

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 576,602	$ 571,133
Inventory obsolescence	3,270	6,040
Inventory write-downs	1,429	4,176
Loss on physical inventory	5	10
	$ 581,306	$ 581,359

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership (%)		
			December 31		
Investor	Investee	Nature of Activities	2025	2024	Remark
The Company	Powerline Corp.	Investment	100.00	100.00	Notes 1 and 6
	Golden Land International Corp.	Investment	100.00	100.00	Note 1
	Gain Access Investments Ltd.	Investment	100.00	100.00	Note 1
	PT. Finetek Automation Indonesia	Manufactures and sells transmitters, point switches and electronic terminals	99.70	99.70	Note 1
	Finetek GmbH	Sells operating transmitters, point switches and electronic terminals	100.00	100.00	Notes 1 and 3
	Tenda Capital Inc.	Investment	100.00	100.00	Note 4
	Accurtech Co., Ltd.	Manufactures and sells transmitters, point switches and electronic terminals	100.00	100.00	Note 5
Golden Land International Corp.	Aplus Finetek Sensor Inc.	Sells operating transmitters, point switches and electronic terminals	100.00	100.00	Note 1
Powerline Corp.	Faco International Co., Ltd.	Investment	100.00	100.00	Notes 1 and 6
Faco International Co., Ltd.	Fine Automation Co., Ltd.	Designs, manufactures and sells transmitters, point switches and electronic terminals	100.00	100.00	Notes 2 and 6
	Finetek Pte., Ltd.	Sells operating transmitters, point switches and electronic terminals	100.00	100.00	Note 1
Finetek GmbH	Muetec Instruments GmbH	Sells operating transmitters, point switches and electronic terminals	100.00	100.00	Notes 1

Note 1: The main operating risk is foreign exchange rate risk.

Note 2: The main operating risks are government policies, political issues between China and Taiwan, and foreign exchange rate risk.

Note 3: In June 2024, the subsidiary Finetek GmbH distributed retained earnings of EUR500 thousand (NT$17,305 thousand) to the Company.

Note 4: 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 5: The Company established a subsidiary, Accurtech Co., Ltd. with an investment of $10,000 thousand with a shareholding ratio of 100%. The Corporation has been approved and registered by New Taipei City Government in December 2024.

Note 6: 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.

13. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Molding Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2025	$ 455,908	$ 464,282	$ 85,486	$ 14,039	$ 40,107	$ 31,358	$ 49,137	$ -	$ 1,140,317
Additions	-	7,236	6,877	-	5,812	4,052	3,451	1,281	28,709
Disposals	-	-	(1,378)	-	(1,084)	(870)	(1,447)	-	(4,779)
Reclassified (Note)	-	-	3,720	-	149	487	(2,380)	(216)	1,760
Effects of foreign currency exchange differences	(757)	(254)	58	56	606	(3)	(196)	26	(464)
Balance at December 31, 2025	$ 455,151	$ 471,264	$ 94,763	$ 14,095	$ 45,590	$ 35,024	$ 48,565	$ 1,091	$ 1,165,543
Accumulated depreciation and impairment									
Balance at January 1, 2025	$ -	$ 229,773	$ 69,645	$ 12,337	$ 26,027	$ 27,724	$ 44,206	$ -	$ 409,712
Depreciation expense	-	21,932	6,648	758	5,937	3,571	2,056	-	40,902
Disposals	-	-	(1,355)	-	(942)	(870)	(1,447)	-	(4,614)
Effects of foreign currency exchange differences	-	(166)	69	(8)	226	-	(160)	-	(39)
Balance at December 31, 2025	$ -	$ 251,539	$ 75,007	$ 13,087	$ 31,248	$ 30,425	$ 44,655	$ -	$ 445,961
Carrying amount at December 31, 2025	$ 455,151	$ 219,725	$ 19,756	$ 1,008	$ 14,342	$ 4,599	$ 3,910	$ 1,091	$ 719,582
Cost									
Balance at January 1, 2024	$ 455,354	$ 451,368	$ 82,664	$ 13,623	$ 33,617	$ 28,424	$ 45,129	$ -	$ 1,110,179
Additions	-	4,212	1,898	-	6,173	2,746	3,615	-	18,644
Disposals	-	(731)	(739)	-	(236)	(17)	(86)	-	(1,809)
Reclassified (Note)	-	3,039	1,130	-	-	204	-	-	4,373
Effects of foreign currency exchange differences	554	6,394	533	416	553	1	479	-	8,930
Balance at December 31, 2024	$ 455,908	$ 464,282	$ 85,486	$ 14,039	$ 40,107	$ 31,358	$ 49,137	$ -	$ 1,140,317
Accumulated depreciation and impairment									
Balance at January 1, 2024	$ -	$ 201,894	$ 63,755	$ 11,004	$ 21,167	$ 24,874	$ 42,621	$ -	$ 365,315
Depreciation expense	-	22,567	6,181	973	4,648	2,867	1,252	-	38,488
Disposals	-	(731)	(640)	-	(236)	(17)	(86)	-	(1,710)
Reclassified (Note)	-	1,643	-	-	-	-	-	-	1,643
Effects of foreign currency exchange differences	-	4,400	349	360	448	-	419	-	5,976
Balance at December 31, 2024	$ -	$ 229,773	$ 69,645	$ 12,337	$ 26,027	$ 27,724	$ 44,206	$ -	$ 409,712
Carrying amount at December 31, 2024	$ 455,908	$ 234,509	$ 15,841	$ 1,702	$ 14,080	$ 3,634	$ 4,931	$ -	$ 730,605

Note: Transferred from prepayments to 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	1-16 years
Transportation	3-6 years
Office equipment	1-16 years
Molding equipment	1-4 years
Other equipment	1-16 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Land use rights (Note)	$ 5,158	$ 5,458
Buildings	3,146	5,750
Transportation	4,713	4,844
	$ 13,017	$ 16,052

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 1,680	$ 6,339
Depreciation charge for right-of-use assets		
Land use rights	$ 188	$ 195
Buildings	2,509	2,488
Transportation	1,811	999
	$ 4,508	$ 3,682

Note: Right-of-use assets - land comprises land use rights in mainland China. The Group has obtained the land use right certificates.

Except for the additions and depreciation expenses recognized as described above, the Group's right-of-use assets did not have any material subleases or impairment during the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 3,340	$ 4,046
Non-current	$ 4,783	$ 6,784

Range of discount rates for lease liabilities were as follows:

	December 31	
	2025	2024
Buildings	4.35%-7.75%	4.35%-7.75%
Transportation	1.850%-1.975%	1.850%-1.975%

c. Material leasing activities and terms - as lessee

The Group leases buildings and transportation equipment with lease terms of 1 to 4 years. At the end of the lease term, the Group does not have any option to renew the lease or to purchase the leased buildings and transportation equipment at a preferential price.

The Group's land use rights are depreciated over 50 years.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 6,397	$ 4,529
Low-value asset lease expenses	$ 430	$ -
Total cash outflow for leases	$ (11,703)	$ (8,287)

The Group's leases of certain offices qualify as short-term leases. The Group 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 with lease terms commencing after the balance sheet dates were as follows:

	December 31	
	2025	2024
Lease commitments	$ 396	$ 412

15. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2025	$ 29,336
Effects of foreign currency exchange differences	(574)
Balance at December 31, 2025	$ 28,762
Accumulated depreciation and impairment	
Balance at January 1, 2025	$ 20,962
Depreciation expense	1,319
Effects of foreign currency exchange differences	(377)
Balance at December 31, 2025	$ 21,904
Carrying amount at December 31, 2025	$ 6,858
Cost	
Balance at January 1, 2024	$ 30,806
Reclassified to property, plant and equipment	(3,039)
Effects of foreign currency exchange differences	1,569
Balance at December 31, 2024	$ 29,336
Accumulated depreciation and impairment	
Balance at January 1, 2024	$ 20,160
Reclassified to property, plant and equipment	(1,643)
Depreciation expense	1,465
Effects of foreign currency exchange differences	980
Balance at December 31, 2024	$ 20,962
Carrying amount at December 31, 2024	$ 8,374

The investment properties were leased out for 1-2 years. The lessees do not have bargain purchase options to acquire the investment properties at the end of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties were as follows:

	December 31	
	2025	2024
Year 1	$ 1,031	$ 645
Year 2	25	20
Year 3	-	-
	$ 1,056	$ 665

Except for the recognition of depreciation expenses, the Group's investment properties incurred no significant additions, disposals or impairments in 2025 and 2024.

The investment properties were depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	20 years

The fair values of investment properties were not assessed by independent appraisers, but were assessed by the Group's management with reference to the current lease arrangements and market evidence of transaction prices of properties in the vicinity. The fair values were appraised as follows:

	December 31	
	2025	**2024**
Fair value	$ 22,900	$ 29,658

16. GOODWILL

	For the Year Ended December 31	
	2025	**2024**
Cost		
Balance at January 1	$ 37,706	$ 37,438
Arising from business combinations (Note 29)	101	-
Effect of foreign currency exchange differences	2,862	268
Balance at December 31	$ 40,669	$ 37,706

The Group conducts annual impairment tests on the cash-generating unit to the goodwill and the amount of recoverable was determined based on a value-in-use calculation. The value-in-use calculation used the cash flow projections in the financial budgets covering a 3-year period and value-in-use (the amount of recoverable) discount rate of 12% for the years ended December 31, 2025 and 2024. Based on the assessment, no impairment loss was recognized for the years ended December 31, 2025 and 2024.

17. INTANGIBLE ASSETS

	Computer Software	Licenses and Franchises	Specialized Technology	Customer List	Total
Cost					
Balance at January 1, 2025	$ 48,097	$ 750	$ 30,031	$ -	$ 78,878
Additions	4,462	-	-	-	4,462
Arising from business combinations	-	-	11,680	6,870	18,550
Disposals	(3,588)	-	-	-	(3,588)
Reclassified	(76)	-	-	-	(76)
Effects of foreign currency exchange differences	24	-	2,720	178	2,922
Balance at December 31, 2025	$ 48,919	$ 750	$ 44,431	$ 7,048	$ 101,148

(Continued)

	Computer Software	Licenses and Franchises	Specialized Technology	Customer List	Total
Accumulated amortization and impairment					
Balance at January 1, 2025	$ 39,197	$ 262	$ 24,514	$ -	$ 63,973
Amortization expense	6,230	25	5,020	560	11,835
Disposals	(3,588)	-	-	-	(3,588)
Effects of foreign currency exchange differences	18	-	2,219	27	2,264
Balance at December 31, 2025	$ 41,857	$ 287	$ 31,753	$ 587	$ 74,484
Carrying amount at December 31, 2025	$ 7,062	$ 463	$ 12,678	$ 6,461	$ 26,664
Cost					
Balance at January 1, 2024	$ 44,692	$ 750	$ 29,891	$ -	$ 75,333
Additions	3,404	-	-	-	3,404
Effects of foreign currency exchange differences	1	-	140	-	141
Balance at December 31, 2024	$ 48,097	$ 750	$ 30,031	$ -	$ 78,878
Accumulated amortization and impairment					
Balance at January 1, 2024	$ 32,950	$ 237	$ 21,381	$ -	$ 54,568
Amortization expense	6,249	25	3,084	-	9,358
Effects of foreign currency exchange differences	(2)	-	49	-	47
Balance at December 31, 2024	$ 39,197	$ 262	$ 24,514	$ -	$ 63,973
Carrying amount at December 31, 2024	$ 8,900	$ 488	$ 5,517	$ -	$ 14,905

(Concluded)

Other intangible assets were 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	3-10 years
Customer list	10 years

An analysis of amortization by function:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ 1,934	$ 2,203
Selling expenses	2,762	2,684
General and administrative expenses	6,269	3,705
Research and development expenses	870	766
	$ 11,835	$ 9,358

18. OTHER ASSETS

	December 31	
	2025	2024
Current		
Prepayments	$ 6,950	$ 4,158
Advances to suppliers	3,623	2,572
Others	13	14
	$ 10,586	$ 6,744
Non-current		
Prepayments for equipment	$ 7,120	$ 5,485
Refundable deposits (Note)	4,989	6,545
Net defined benefit assets (Note 23)	4,938	4,020
	$ 17,047	$ 16,050

Note: The Group 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 Group assessed that there has no need to recognize expected credit loss on refundable deposits.

19. BORROWINGS

Long-term Borrowings

	December 31	
	2025	2024
Secured borrowings		
Bank loans	$ 29,520	$ -
Less: Current portion	(9,564)	-
Long-term borrowings	$ 19,956	$ -

The Group's long-term borrowings were as follows:

	December 31	
Significant Terms	2025	2024
Loan period: 2025.3.1-2029.2.28 Creditor: Sparkasse Harburg-Buxtehude Repayment: The principal is subject to a grace period from March 1, 2025 to December 31, 2025. After the grace period, the principal is repaid in equal monthly installments, and interest is paid monthly. Interest rate: 4.49%	$ 29,520	$ -

The Group used trade receivables as collateral to acquire a loan from the bank are set out in Note 34.

20. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2025	2024
Notes payable		
Operating	$ 3,740	$ 3,785
Trade payables		
Operating	$ 44,026	$ 64,110

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

21. BONDS PAYABLE

	December 31	
	2025	2024
1st Unsecured domestic convertible bonds	$ 478,175	$ 466,790
Less: Current portion	-	-
	$ 478,175	$ 466,790

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

22. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Payables for salaries and bonuses	$ 42,810	$ 46,209
Payables for compensation of employees	7,310	11,000
Payables for remuneration of directors	7,010	10,000
Payables for labor and health insurance	3,920	3,942
Payables for taxes	2,189	2,827
Payables for shipping costs	1,551	3,708
Payables for unused vacation	897	508
Payables for purchases of equipment (Note 30)	2,034	1,318
Others	17,482	19,893
	$ 85,203	$ 99,405

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group 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.

The employees of the Group in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiaries in China are required to contribute amounts calculated at a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Other entities in the Group make monthly contributions based on local laws.

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 consolidated balance sheets in respect of the Group'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
Balance at 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 at 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 at 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 Group 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

24. 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 related registration change was 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 at January 1, 2025	$ 326,872	$ 34	$ -
Share warrants of convertible bonds	-	-	118,215
Balance at December 31, 2025	$ 326,872	$ 34	$ 118,215
Balance at January 1, 2024	$ 326,872	$ 34	$ -
Share warrants of convertible bonds	-	-	118,215
Balance at December 31, 2024	$ 326,872	$ 34	$ 118,215

c. Retained earnings and dividends 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 26 (h).

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.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. 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 at January 1	$ 55,477	$ 52,271
Appropriation in respect of:		
The Debit to (reversal of) other equity items	(24,375)	3,206
Balance at 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 at 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 27)	1,286	(6,093)
Balance at December 31	$ (36,242)	$ (31,102)

f. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 99	$ 96
Share in profit for the year	3	-
Other comprehensive income recognized for the year		
Exchange differences on translation of foreign operations	(7)	3
Balance at December 31	$ 95	$ 99

25. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,232,834	$ 1,276,985
Revenue from rendering of services	2,895	3,314
	$ 1,235,729	$ 1,280,299

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (Note 10)	$ 22,593	$ 27,661	$ 33,635
Trade receivables (Note 10)	$ 173,804	$ 216,231	$ 224,834
Long-term trade receivables (Note 10)	$ 34,622	$ 1,241	$ -
Contract liabilities - current			
Sales of goods	$ 14,851	$ 18,475	$ 17,880
Contract liabilities - non-current (included in other non-current liabilities)			
Sales of goods	$ 216	$ 8	$ -

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group'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	$ 15,293	$ 14,197

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
Product categories		
Process automated sensor development	$ 1,122,438	$ 1,138,553
Pneumatic control system	43,374	53,147
Others	69,917	88,599
	$ 1,235,729	$ 1,280,299

26. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 8,043	$ 7,246
Financial assets at amortized cost	5,096	4,372
Long-term trade receivables	496	-
Imputed interest	34	27
	$ 13,669	$ 11,645

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income		
Other operating leases (Note 15)	$ 4,945	$ 5,492
Dividend income	7,197	4,726
Government grant income	4,057	921
Others	7,928	4,586
	$ 24,127	$ 15,725

c. Other gains and (losses)

	For the Year Ended December 31	
	2025	2024
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	$ 22,323	$ 18,772
Net foreign exchange gains	1,395	17,891
Expected credit reversed gain (Note 9)	68	383
Gain (loss) on disposal of property, plant and equipment	15	(59)
Gain on lease modification	5	-
Others	754	1,112
	$ 24,560	$ 38,099

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on convertible bonds (Note 21)	$ 11,385	$ 1,660
Interest on loans	1,246	3,049
Interest on lease liabilities	596	356
	$ 13,227	$ 5,065

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 22,081	$ 22,540
Operating expenses	23,329	19,630
Deductions of other income	1,319	1,465
	$ 46,729	$ 43,635
An analysis of amortization by function		
Operating costs	$ 1,934	$ 2,203
Operating expenses	9,901	7,155
	$ 11,835	$ 9,358

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2025	2024
Direct operating expenses of investment properties generating rental income	$ 1,441	$ 1,583

g. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term benefits	$ 298,113	$ 291,042
Post-employment benefits (Note 23)		
Defined contribution plan	18,153	18,805
Defined benefit plans	(56)	(38)
Others benefits	63,515	62,113
Total employee benefits expense	$ 379,725	$ 371,922
An analysis of employee benefits expense by function		
Operating costs	$ 93,667	$ 99,597
Operating expenses	286,058	272,325
	$ 379,725	$ 371,922

h. 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 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 consolidated 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 consolidated 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.

i. (Losses) or gains on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	$ 26,432	$ 27,290
Foreign exchange losses	(25,037)	(9,399)
Net foreign exchange (losses) gains	$ 1,395	$ 17,891

27. 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	$ 62,743	$ 67,693
Income tax on unappropriated earnings	120	390
Adjustments for prior years	(9,172)	(6,895)
	53,691	61,188
Deferred tax		
In respect of the current period	(14,010)	6,146
Income tax expense recognized in profit or loss	$ 39,681	$ 67,334

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

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	$ 228,803	$ 331,079
Income tax expense calculated at the statutory rate	$ 51,864	$ 82,208
Nondeductible expenses in determining taxable income	(2,876)	(4,273)
Tax-exempt income	(1,613)	(1,080)
Nondeductible expenses in determining taxable income	622	114
Income tax on unappropriated earnings	120	390
The excess of basic tax over regular income tax	736	-
Deferred tax effect of earnings of subsidiaries	-	(3,104)
Unrecognized loss carryforwards	-	(26)
Adjustments for prior years' tax	(9,172)	(6,895)
Income tax expense recognized in profit or loss	$ 39,681	$ 67,334

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 assets		
Tax refund receivable	$ 1,095	$ 1,278
Current tax liabilities		
Income tax payable	$ 25,229	$ 21,639

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	Exchange Differences	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
Issuance costs related to the convertible bonds	1,070	(409)	-	-	-	661
Allowance for impairment of receivables	203	80	-	-		283
Allowance for financial assets at amortized cost	7	(5)	-	-	-	2
Losses on write-down of inventories	10,590	199	-	-	(35)	10,754
Unrealized foreign exchange loss	476	709	-	-	-	1,185
	$ 21,721	$ 362	$ 1,286	$ -	$ (35)	$ 23,334

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Exchange Differences	Closing Balance
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	2,558	162	-	-	-	2,720
	$ 51,441	$ (13,648)	$ 172	$ -	$ -	$ 37,965

(Concluded)

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Exchange Differences	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
Issuance costs related to the convertible bonds	-	-	-	1,070	-	1,070
Allowance for impairment of receivables	131	69	-	-	3	203
Allowance for financial assets at amortized cost	39	(32)	-	-	-	7
Losses on write-down of inventories	10,136	384	-	-	70	10,590
Unrealized foreign exchange loss	1,870	(1,394)	-	-	-	476
	$ 27,952	$ (1,258)	$ (6,093)	$ 1,047	$ 73	$ 21,721
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	1,107	-	-	-	2,558
	$ 46,416	$ 4,888	$ 160	$ (23)	$ -	$ 51,441

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 Group has no unsettled lawsuits in relation to tax.

28. 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)
Earnings used in the computation of diluted earnings per share	$ 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 Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group 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.

For the year ended December 31, 2025, the convertible bonds issued by the Company would have an anti-dilutive effect if converted into ordinary shares; therefore, they were excluded from the calculation of diluted earnings per share.

29. BUSINESS COMBINATIONS

a. Business acquisition

In order to expand sales channels, develop business in Europe, enrich the Group's product portfolio, and integrate the industry value chain, the Group acquired the business of DYNA Instruments GmbH (hereinafter referred to as 'DYNA') through its German subsidiary, Muetec Instruments GmbH. The acquisition date was March 1, 2025, and the purchase consideration amounted to EUR 950 thousand.

b. Consideration transferred

	Amount
Cash	$ 34,171

c. Business acquired at the date of acquisition

	Amount
Current assets	
Inventories	$ 15,520
Non-current assets	
Intangible assets	18,550
	$ 34,070

As of the date of authorization for issuance of these consolidated financial statements, the required market valuations and other calculations had been completed, and there was no change between the provisional amounts recognized at the acquisition date and the final fair values.

d. Goodwill recognized on acquisitions

	Amount
Consideration transferred	$ 34,171
Less: Fair value of identifiable net assets acquired	(34,070)
Goodwill arising from the acquisition	$ 101

The goodwill recognized in the acquisitions of DYNA mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development.

The total amount of acquired goodwill is not tax-deductible.

e. Net cash outflow on the acquisition of business

	Amount
Consideration transferred	$ 34,171

f. Impact of acquisitions on the results of the Group

As the operating results of the business acquired from DYNA for the period from the beginning of the fiscal year in which the acquisition date falls to the acquisition date were not available, pro forma information of DYNA for the year ended December 31, 2025 was not disclosed.

30. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statement 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 under the Group’s intangible assets 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

			Non-cash Changes						
	January 1, 2025	Cash Flows	New Leases	Interest Expense	Income Tax Impact	Exchange Rate Impact	Discounts on Bonds Payable	Others (Note)	December 31, 2025
Long-term borrowings and long-term borrowings due within one year	$ -	$ 29,520	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,520
Bonds payable	466,790	-	-	11,385	-	-	-	-	478,175
Lease liabilities	10,830	(4,280)	1,680	596	-	(68)	-	(635)	8,123
Guarantee deposits	970	-	-	-	-	(36)	-	-	934
	$ 478,590	$ 25,240	$ 1,680	$ 11,981	$ -	$ (104)	-	$ (635)	$ 516,752

For the year ended December 31, 2024

			Non-cash Changes						
	January 1, 2024	Cash Flows	New Leases	Interest Expense	Income Tax Impact	Exchange Rate Impact	Discounts on Bonds Payable	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	7,677	(3,402)	6,339	356	-	216	-	(356)	10,830
Guarantee deposits	889	-	-	-	-	81	-	-	970
	$ 185,489	$ 406,010	$ 6,339	$ 2,016	$ 1,070	$ 297	(116,925)	$ (5,706)	$ 478,590

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

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group 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 Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, capital surplus, retained earnings and other equity).

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

Key management personnel of the Group 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 Group may adjust the amount of new debt issued and existing debt redeemed.

32. 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	$ 22,190	$ -	$ 17,329	$ -	$ 17,329
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	$ 52,549	$ -	$ 47,229	$ -	$ 47,229
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 have been determined in accordance with the present value of investments as of the reporting 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	$ 191,040	$ -	$ -	$ 191,040
Beneficiary certificates	18,517	-	-	18,517
Derivative				
Convertible bonds options (Note 21)		-	150	150
	$ 209,557	$ -	$ 150	$ 209,707

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 133,633	$ -	$ -	$ 133,633
Beneficiary certificates	5,182	-	-	5,182
Derivative				
Convertible bonds options (Note 21)	-	-	3,474	3,474
	$ 138,815	$ -	$ 3,474	$ 142,289

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 at January 1	$ 3,474
Recognized in profit or loss (included in other gains and losses)	(3,324)
Balance at 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 at January 1	$ -
Additions	1,290
Recognized in profit or loss (included in other gains and losses)	2,184
Balance at 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	$ 209,707	$ 142,289
Financial assets at amortized cost (1)	1,337,181	1,475,679
Financial liabilities		
Financial liabilities at amortized cost (2)	575,759	558,618

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables (except for VAT refund receivables), long-term trade receivable and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes payable, trade payables, other payables (except for salaries and bonuses payable, employee compensation payable, remuneration of directors payable, labor and health insurance payable, taxes payable, payable for retirement and payable for annual leaves), long-term other payables (include long-term borrowings due within one year), bonds payable, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, trade receivables, trade payables, lease liabilities and borrowings. The Group's corporate treasury function 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 Group 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 Group'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 Group'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 Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated upon consolidation) exposing the Group to foreign currency risk at the end of the reporting period are set out in Note 37.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of several subsidiaries of the Group 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 functional currency of several subsidiaries of the Group weakens 5% against the relevant currency. For a 5% strengthening of the functional currency of several subsidiaries of the Group 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	$ 6,672	$ 13,347	$ 3,865	$ 1,585	$ 365	$ -

The impact on profit above was mainly attributable to the exposure on outstanding USD, RMB and EUR denominated bank deposits, receivables, financial assets measured at amortized cost, and payables as at the reporting date.

The Group's sensitivity to USD exchange rate fluctuations decreased during the current year, primarily due to a reduction in USD-denominated bank deposits and trade receivables.

The Group's sensitivity to RMB exchange rate fluctuations also increased during the current year, mainly due to an increase in RMB-denominated bank deposits and trade receivables.

The Group's sensitivity to EUR exchange rate fluctuations also increased during the current year, mainly due to an increase in EUR-denominated trade receivables.

b) Interest rate risk

The carrying amounts of the Group'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**
Fixed interest rate		
Fair value interest rate risk		
Financial assets	$ 613,567	$ 750,015
Financial liabilities	515,818	477,620
Floating interest rate		
Cash flow interest rate risk		
Financial assets	482,158	470,543

Sensitivity analysis

The sensitivity analysis below was determined based on the Group'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 Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by $4,822 thousand and $4,705 thousand, respectively, which would have been mainly attributable to the Group's exposure to interest rates on its floating-rate bank deposits.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable-rate bank deposits.

c) Other price risk

The Group was primarily 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 Group'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 Group's pre-tax profit for the years ended December 31, 2025 and 2024 would increase/decrease by $2,096 thousand and $1,388 thousand, respectively.

The Group's sensitivity to equity prices of financial assets at FVTPL increased during the current year mainly due to the increase in both the number of equity securities held and their market prices.

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 Group. As at the end of the reporting period, in order to mitigate the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation pertain to financial assets recognized in the consolidated balance sheets.

The Group 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 Group did not have significant credit risk for any single counterparty or any group of counterparties with similar characteristics. When the counterparties were related companies, the Group defined them as counterparties with similar characteristics.

The Group transacted with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group'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 Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group had available unutilized bank loan facilities set out in (b) below.

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

The following tables detail the Group'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 Group 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					
Non-interest bearing liabilities	$ 28,839	$ 36,723	$ 1,352	$ 1,150	$ -
Fixed interest rate liabilities	907	1,806	7,980	520,928	-
Lease liabilities	462	541	2,613	5,261	-
	$ 30,208	$ 39,070	$ 11,945	$ 527,339	$ -

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					
Non-interest bearing liabilities	$ 45,805	$ 43,589	$ 1,456	$ 970	$ -
Fixed interest rate liabilities	-	-	-	500,000	-
Lease liabilities	511	680	3,187	7,147	-
	$ 46,316	$ 44,269	$ 4,643	$ 508,117	$ -

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	$ 29,520	$ -

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Relationship with the Group
Yilan Wu Sha Culture Foundation	Related party in substance (the chairman of the foundation is the same individual as the chairman of the Company)
Wu, Ting-Kuo	Key management personnel (the chairman and the general manager of the Company)

b. Lease arrangements

	For the Year Ended December 31	
Related Party Category/Name	**2025**	**2024**
Lease expense		
Related party in substance		
Wu, Ting-Kuo	$ 2,095	$ 2,165

In 2025 and 2024, the rental expenses, which were payable monthly, were based on current market prices.

c. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
General and administrative expenses - donation	Related party in substance Yilan Wu Sha Culture Foundation	$ 2,000	$ 2,500

d. Compensation of key management personnel

	For the Year Ended December 31	
	2025	**2024**
Short-term employee benefits	$ 29,930	$ 28,834
Post-employment benefits	552	571
	$ 30,482	$ 29,405

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

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as guarantees for sales, collateral for bank borrowings, government grant projects and guarantee for tariffs:

	December 31	
	2025	2024
Pledged bank deposits (classified as financial assets at amortized cost - current)	$ -	$ 4
Trade receivables	11,720	-
	$ 11,720	$ 4

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments were as follows:

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

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2025

	Foreign Currency (Thousand)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 4,150	31.430 (USD:NTD)	$ 130,447
USD	88	1.285 (USD:SGD)	$ 2,778
USD	10	16,718.085 (USD:IDR)	$ 310
RMB	18,153	4.496 (RMB:NTD)	$ 81,615
EUR	198	36.900 (EUR:NTD)	$ 7,291

(Continued)

	Foreign Currency (Thousand)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 3	31.430 (USD:NTD)	$ 102
RMB	962	4.496 (RMB:NTD)	$ 4,325

(Concluded)

December 31, 2024

	Foreign Currency (Thousand)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 8,502	32.785 (USD:NTD)	$ 278,728
USD	89	1.358 (USD:SGD)	$ 2,917
USD	25	16,150.246 (USD:IDR)	$ 836
RMB	8,267	4.478 (RMB:NTD)	$ 37,022
Financial liabilities			
Monetary items			
USD	474	32.785 (USD:NTD)	$ 15,542
RMB	1,191	4.478 (RMB:NTD)	$ 5,332

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange (losses) and gains were $1,395 thousand and $17,891 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 group entities.

38. 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)

6) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

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 5)

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 6)

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.

d. Under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, disclosed items of affiliates are as follows:

1) The names of the subordinate companies and their relationships to the controlling company, the nature of their businesses, and the controlling company's shareholding or capital contribution ratio in each. (Note 12)

2) Changes in the subordinate companies included in the current consolidated financial statements of the affiliates. (Note 12)

3) The names and shareholding or capital contribution ratios of subordinate companies not listed in the current consolidated financial statements for affiliates and the reasons they are not included in the consolidated statements. (None)

4) The adjustment method and treatment adopted if the opening and closing dates of the subordinate company's accounting year are different from those of the controlling company. (None)

5) An explanation of any differences in accounting policies between the subordinate companies and the controlling company. The method and substance of adjustments adopted in the event of any non-conformity with the Generally Accepted Accounting Principles of the Republic of China. (None)

6) Special operational risks of overseas subordinate companies, such as exchange rate fluctuations. (Note 12)

7) Statutory or contractual restrictions on distribution of earnings by the various affiliates. (Note)

8) Amortization methods and period for consolidated borrowings (loans). (None)

9) Other matters of significance or explanations that would contribute to the fair presentation of the consolidated financial statements of the affiliates. (None)

Note: If Fine Automation Co., Ltd., the subsidiary of Faco International Co., Ltd., made a profit in a fiscal year after paying taxes, the profit shall be first used to offset losses of previous years, set aside as legal reserve not lower than 10% of the net income (until the legal reserve reaches 50% of Fine Automation Co., Ltd.'s registered capital), and then any remaining profit shall be used as the basis for proposing a distribution plan, which should be resolved in Fine Automation Co., Ltd.'s board of directors' meeting for the distribution of dividends and bonuses to shareholders.

e. Under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, disclosed items from each individual affiliate are as follows:

1) Information related to financing, endorsements, and guarantees. (None)

2) Information related to derivative instrument transactions. (Notes 7 and 32)

3) Significant contingencies. (None)

4) Significant events after the reporting period. (Note 36)

5) Names of bills and securities held, and their quantities, cost, market value (if not available, the net worth per share is disclosed), shareholding or capital contribution ratio, description of any pledges, and the highest amount of shareholding or capital contribution during the period. (Tables 1, 4 and 5)

6) Other matters of significance or explanations that would contribute to a fair presentation of the consolidated financial statements of the affiliates (None)

f. The subsidiaries holding the parent company's shares should list clearly their Company's name, number of shares held, the total amounts and the reasons for holding the shares: (None)

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The chief operating decision maker treats regional-direct-sale units as separate operating segments. However, in the preparation of financial statements, segments are identified according to the following:

- Similarity of the product nature and manufacturing process.
- Similarity of pricing strategy and sales models.

a. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2025	2024
Process automated sensor development	$ 1,122,438	$ 1,138,553
Pneumatic control system	43,374	53,147
Others	69,917	88,599
	$ 1,235,729	$ 1,280,299

b. Geographical information

The Group operates in four principal geographical areas, China, Taiwan, USA and Germany.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
China	$ 286,231	$ 343,236	$ 50,538	$ 55,794
Taiwan	688,901	701,441	675,589	650,763
Germany	150,928	140,915	53,240	36,727
USA	60,576	45,918	89	1,207
Others	49,093	48,789	28,407	32,171
	$ 1,235,729	$ 1,280,299	$ 807,863	$ 776,662

Non-current assets exclude financial assets at amortized cost - non-current, goodwill, deferred tax assets, other non-current assets (refundable deposits and net defined benefit assets - non-current).

c. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2025	2024
Customer A	$ 299,552	$ 341,252

FINETEK CO., LTD. AND SUBSIDIARIES

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	
The Company	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: Please refer to Note 32 (a) for information relating to the fair value measurement of domestic investments.

FINETEK CO., LTD. AND SUBSIDIARIES

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

Note: The listed amounts were eliminated upon consolidation.

FINETEK CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	FineTek Co., Ltd.	Fine Automation Co., Ltd.	a	Sales	$ 103,996	Prices set based on cost-plus pricing	8
		Fine Automation Co., Ltd.	a	Trade receivables	26,139	90 days after the end of the month when invoice is issued	1
		Fine Automation Co., Ltd.	a	Purchases	13,476	Prices set based on cost-plus pricing	1
		Fine Automation Co., Ltd.	a	Trade payables	5,409	The transaction terms are not significantly different with other companies	-
		Finetek Pte., Ltd.	a	Sales	14,198	Prices set based on cost-plus pricing	1
		Finetek Pte., Ltd.	a	Trade receivables	2,912	90 days after the end of the month when invoice is issued	-
		Aplus Finetek Sensor Inc.	a	Sales	7,527	Prices set based on cost-plus pricing	1
		Aplus Finetek Sensor Inc.	a	Trade receivables	4,160	90 days after the end of the month when invoice is issued	-
		Aplus Finetek Sensor Inc.	a	Other receivables	69,654	90 days after the end of the month when invoice is issued	3
		Aplus Finetek Sensor Inc.	a	Other payables	1,878	Prices set based on cost-plus pricing	-
		Muetec Instruments GmbH	a	Sales	5,283	Prices set based on market prices in the respective regions	-
		Muetec Instruments GmbH	a	Trade receivables	599	90 days after the end of the month when invoice is issued	-
		Muetec Instruments GmbH	a	Purchases	4,025	Prices set based on cost-plus pricing	-
		Muetec Instruments GmbH	a	Trade payables	604	The transaction terms are not significantly different with other companies	-
		PT. Finetek Automation Indonesia	a	Sales	15,038	Prices set based on cost-plus pricing	1
		PT. Finetek Automation Indonesia	a	Trade receivables	9,557	90-210 days after the end of the month when invoice is issued	-
		PT. Finetek Automation Indonesia	a	Purchases	699	Prices set based on cost-plus pricing	-
		Tenda Capital Inc.	a	Investments accounted for using the equity method	50,000	Issuance of ordinary shares for cash	2
		Tenda Capital Inc.	a	Investments accounted for using the equity method	3,500	Earnings distributions	-
		Powerline Corp.	a	Investments accounted for using the equity method	83,870	Earnings distributions	3
1	Powerline Corp.	Faco International Co., Ltd.	c	Investments accounted for using the equity method	83,870	Earnings distributions	3
2	Faco International Co., Ltd.	Fine Automation Co., Ltd.	c	Investments accounted for using the equity method	83,870	Earnings distributions	3

Note 1: The Company and its subsidiaries are numbered as follows:

a. The Company is numbered “0.”
b. The subsidiaries are numbered consecutively beginning from “1” in the order presented in the table above.

Note 2: The relationships between the parties of the transactions are numbered as follows:

a. The Company to the subsidiary.
b. The subsidiary to the Company.
c. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenue or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the interim period to consolidated total operating revenue for income statement accounts.

Note 4: Intercompany transactions and related balances between the parent company and its subsidiaries were eliminated upon consolidation in the preparation of the consolidated financial statements.

FINETEK CO., LTD. AND SUBSIDIARIES

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	Mutec 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: The investment income or loss of the investee company and the investment income or loss recognized in the current period were recognized based on the audited financial statements.

Note 2: The transactions were eliminated in the consolidated financial statements.

Note 3: 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 4: Please refer to Table 5 for information relating to investments in mainland China.

Note 5: The greatest number of shares held or capital investments in marketable securities of the remaining investee companies in the interim period were the same as that at the end of the reporting period.

FINETEK CO., LTD. AND SUBSIDIARIES

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) (Notes 2 and 6)	Carrying Amount as of December 31, 2025 (Notes 2 and 6)	Accumulated Repatriation of Investment Income as of December 31, 2025	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: The listed amounts were eliminated upon consolidation.

Note 7: 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 8: Not deduct accumulated repatriation of investment income of $338,601 thousand.

Note 9: The amounts of paid-in capital held by investee companies were the same as the ending balance, and all the amounts above were not pledged as collateral.

FINETEK CO., LTD. AND SUBSIDIARIES

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	-

Note: The listed amounts were eliminated upon consolidation.

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.