

Shuttle Inc.

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shuttle Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified during the audit of the Company's parent company only financial statements for the year ended December 31, 2025 is as follows:

Revenue Recognition - Medical Devices Segment

The medical device segment of investments accounted for using the equity method, including those of Carilex Medical Inc. and its subsidiaries, is selling air mattresses and medical peripherals. The medical device segment is an important business in which the Company has focused on development and the sales market is mainly in overseas areas, causing long shipping time in terms of FOB and DDU agreed-upon sales contracts with customers, which increase the complexity of revenue recognition. Hence, we identified revenue recognition as a key audit matter.

Our main audit procedures performed with respect to the above key audit matter are described here. We obtained an understanding of and tested the design and operating effectiveness of key internal controls relevant to the sales process of the medical device business. We reviewed the main customers' basic information and credit limits and tested the process of sales transactions with these customers to identify exceptions. Also, we performed tests of details by selecting samples from sales subledgers and inspecting sales orders, shipping documents, bills of custom clearances, and other documents relevant to the samples. We audited and verified the transaction authenticity and completeness of revenue recognition.

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

The medical device segment of investments accounted for using the equity method, including those of Carilex Medical Inc. and its subsidiaries, is selling air mattresses and medical peripherals. The medical device segment is an important business in which the Company has focused on development and the sales market is mainly in overseas areas, causing long shipping time in terms of FOB and DDU agreed-upon sales contracts with customers, which increase the complexity of revenue recognition. Hence, we identified revenue recognition as a key audit matter.

Our main audit procedures performed with respect to the above key audit matter are described here. We obtained an understanding of and tested the design and operating effectiveness of key internal controls relevant to the sales process of the medical device business. We reviewed the main customers' basic information and credit limits and tested the process of sales transactions with these customers to identify exceptions. Also, we performed tests of details by selecting samples from sales subledgers and inspecting sales orders, shipping documents, bills of custom clearances, and other documents relevant to the samples. We audited and verified the transaction authenticity and completeness of revenue recognition.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 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 Kuan-Hao Lee and I-Chi Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2026

Notice to Readers

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

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

SHUTTLE INC.

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

ASSETS	2025		2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 326,334	9	\$ 443,005	11
Financial assets at fair value through profit or loss (Notes 4 and 7)	567	-	3,103	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	8,616	-	8,335	-
Trade receivables from unrelated parties (Notes 4 and 9)	13,322	-	12,529	-
Trade receivables from related parties (Note 27)	158,916	4	194,837	5
Other receivables (Notes 4 and 9)	2,995	-	11,653	-
Current tax assets (Note 4)	4,190	-	4,228	-
Inventories (Notes 4, 5 and 10)	294,730	8	233,643	6
Prepayments (Notes 11 and 27)	15,106	1	8,615	-
Other current assets (Note 16)	<u>52,293</u>	<u>1</u>	<u>53,374</u>	<u>2</u>
Total current assets	<u>877,069</u>	<u>23</u>	<u>973,322</u>	<u>24</u>
NON-CURRENT ASSETS				
Non-current financial assets at fair value through profit or loss (Notes 4 and 7)	22,817	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	139,140	3	122,687	3
Investments accounted for using the equity method (Notes 4 and 12)	1,045,135	27	1,089,396	27
Property, plant and equipment (Notes 4 and 13)	997,217	26	994,520	25
Right-of-use assets (Notes 4 and 14)	54,258	1	64,975	2
Other intangible assets (Notes 4 and 15)	59	-	339	-
Deferred tax assets (Notes 4 and 22)	101,278	3	99,039	2
Other non-current assets (Notes 4, 16 and 28)	<u>657,758</u>	<u>17</u>	<u>660,120</u>	<u>17</u>
Total non-current assets	<u>3,017,662</u>	<u>77</u>	<u>3,031,076</u>	<u>76</u>
TOTAL	<u>\$ 3,894,731</u>	<u>100</u>	<u>\$ 4,004,398</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 21)	\$ 1,518	-	\$ 8,586	-
Trade payables to unrelated parties (Note 28)	158,521	4	124,214	3
Other payables (Note 17)	67,191	2	71,567	2
Provisions (Notes 4 and 18)	46,625	1	41,743	1
Lease liabilities - current (Notes 4 and 14)	27,369	1	25,875	1
Other current liabilities	<u>30,338</u>	<u>1</u>	<u>3,954</u>	<u>-</u>
Total current liabilities	<u>331,562</u>	<u>9</u>	<u>275,939</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	2,562	-	1,168	-
Lease liabilities - non-current (Notes 4 and 14)	<u>76,784</u>	<u>2</u>	<u>100,490</u>	<u>2</u>
Total non-current liabilities	<u>79,346</u>	<u>2</u>	<u>101,658</u>	<u>2</u>
Total liabilities	<u>410,908</u>	<u>11</u>	<u>377,597</u>	<u>9</u>
EQUITY (Note 20)				
Ordinary shares	<u>3,434,273</u>	<u>88</u>	<u>3,434,273</u>	<u>86</u>
Capital surplus	<u>36,688</u>	<u>1</u>	<u>42,763</u>	<u>1</u>
Retained earnings				
Legal reserve	33,240	1	33,240	1
Special reserve	23,713	-	23,713	1
Unappropriated earnings	462	-	127,706	3
Total retained earnings	<u>57,415</u>	<u>1</u>	<u>184,659</u>	<u>5</u>
Other equity	<u>(44,553)</u>	<u>(1)</u>	<u>(34,894)</u>	<u>(1)</u>
Total equity	<u>3,483,823</u>	<u>89</u>	<u>3,626,801</u>	<u>91</u>
TOTAL	<u>\$ 3,894,731</u>	<u>100</u>	<u>\$ 4,004,398</u>	<u>100</u>

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

SHUTTLE INC.

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

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)				
Sales	\$ 830,382	100	\$ 898,007	100
Less: Sales returns and allowances	<u>2,605</u>	<u>-</u>	<u>3,206</u>	<u>-</u>
Net sales	827,777	100	894,801	100
OPERATING COSTS (Notes 4, 10, 21 and 27)				
Cost of goods sold	<u>627,527</u>	<u>76</u>	<u>634,725</u>	<u>71</u>
GROSS PROFIT	200,250	24	260,076	29
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>30,270</u>	<u>4</u>	<u>(22,550)</u>	<u>(3)</u>
REALIZED GROSS PROFIT	<u>230,520</u>	<u>28</u>	<u>237,526</u>	<u>26</u>
OPERATING EXPENSES (Notes 4, 9, 21 and 27)				
Selling and marketing expenses	44,126	5	49,890	5
General and administrative expenses	114,991	14	113,972	13
Research and development expenses	153,156	19	143,405	16
Expected credit gain	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>-</u>
Total operating expenses	<u>312,273</u>	<u>38</u>	<u>307,253</u>	<u>34</u>
LOSS FROM OPERATIONS	<u>(81,753)</u>	<u>(10)</u>	<u>(69,727)</u>	<u>(8)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	5,503	1	19,776	2
Other income (Notes 4, 21 and 27)	50,429	6	42,812	5
Other gains and losses (Notes 4 and 21)	(10,149)	(1)	24,794	3
Finance costs (Note 21)	(1,196)	-	(1,486)	-
Share of profit or loss of subsidiaries accounted for using the equity method (Note 4)	<u>(31,704)</u>	<u>(4)</u>	<u>(1,800)</u>	<u>-</u>
Total non-operating income and expenses	<u>12,883</u>	<u>2</u>	<u>84,096</u>	<u>10</u>
(LOSS) PROFIT BEFORE INCOME TAX	(68,870)	(8)	14,369	2
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(2)</u>	<u>-</u>	<u>(3,564)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(68,872)</u>	<u>(8)</u>	<u>10,805</u>	<u>1</u>

(Continued)

SHUTTLE INC.

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

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 20)	\$ 16,744	2	\$ (4,981)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 20)	(23,776)	(3)	1,157	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 4)	(3,270)	-	23,711	3
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 22)	654	-	(4,743)	(1)
Other comprehensive income for the year, net of income tax	(9,648)	(1)	15,144	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (78,520)</u>	<u>(9)</u>	<u>\$ 25,949</u>	<u>3</u>
(LOSSES) EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ (0.20)</u>		<u>\$ 0.03</u>	
Diluted	<u>\$ (0.20)</u>		<u>\$ 0.03</u>	

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

SHUTTLE INC.

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

	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	
BALANCE, JANUARY 1, 2024	\$ 3,434,273	\$ 52,526	\$ 30,822	\$ 27,631	\$ 173,795	\$ (18,884)	\$ (31,165)	\$ (50,049)	\$ 3,668,998
Appropriation of earnings									
Legal reserve	-	-	2,418	-	(2,418)	-	-	-	-
Special reserve	-	-	-	(3,918)	3,918	-	-	-	-
Cash dividends distributed by the Company (NT\$0.17 per share)	-	-	-	-	(58,383)	-	-	-	(58,383)
Changes in percentage of ownership interests in subsidiaries	-	(9,763)	-	-	-	-	-	-	(9,763)
Net profit for the year ended December 31, 2024	-	-	-	-	10,805	-	-	-	10,805
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	18,968	(3,824)	15,144	15,144
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	10,805	18,968	(3,824)	15,144	25,949
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(11)	-	11	11	-
BALANCE, DECEMBER 31, 2024	3,434,273	42,763	33,240	23,713	127,706	84	(34,978)	(34,894)	3,626,801
Appropriation of earnings									
Legal reserve	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT\$0.17 per share)	-	-	-	-	(58,383)	-	-	-	(58,383)
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	-	-	-	-	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	(6,075)	-	-	-	-	-	-	(6,075)
Issuance of ordinary shares under employee share options by subsidiaries	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2025	-	-	-	-	(68,872)	-	-	-	(68,872)
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(2,616)	(7,032)	(9,648)	(9,648)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(68,872)	(2,616)	(7,032)	(9,648)	(78,520)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	11	-	(11)	(11)	-
BALANCE, DECEMBER 31, 2025	\$ 3,434,273	\$ 36,688	\$ 33,240	\$ 23,713	\$ 462	\$ (2,532)	\$ (42,021)	\$ (44,553)	\$ 3,483,823

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

SHUTTLE INC.

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (68,870)	\$ 14,369
Adjustments for:		
Depreciation expenses	17,795	15,793
Amortization expenses	8,160	9,622
Reversal of expected credit loss on trade receivables	-	(14)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	2,672	(3,041)
Finance costs	1,196	1,486
Interest income	(5,503)	(19,776)
Dividend income	(144)	(128)
Share of profit or loss of subsidiaries accounted for using the equity method	31,704	1,800
Write-downs of inventories	19,879	22,375
Unrealized (realized) gain on transactions with subsidiaries	(30,270)	22,550
Unrealized gain on foreign currency exchange	(10,328)	(217)
Recognition of provisions	5,912	50
Changes in operating assets and liabilities:		
Trade receivables	(794)	3,109
Trade receivable from related parties	39,725	(103,183)
Other receivables	8,418	(10,278)
Inventories	(80,966)	15,315
Prepayments	(14,272)	(5,513)
Other current assets	1,081	(6,883)
Contract liabilities	(6,825)	4,483
Trade payables	32,621	67,231
Other payables	(4,474)	2,539
Provisions	(1,030)	(889)
Other current liabilities	26,384	(6,907)
Cash (used in) generated from operations	(27,929)	23,893
Interest paid	(1,195)	(1,486)
Income tax paid	(154)	(1,975)
Net cash (used in) generated from operating activities	<u>(29,278)</u>	<u>20,432</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(22,953)	-
Acquisition of property, plant and equipment	(4,553)	(5,282)
Acquisition of intangible assets	(100)	-
Decrease in other non-current assets	20,497	800
Increase in other prepayments	(18,134)	(250,875)
Interest received	5,743	20,511
Dividends received	9,861	19,378
Net cash used in investing activities	<u>(9,639)</u>	<u>(215,468)</u>

(Continued)

SHUTTLE INC.

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

	2025	2024
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (27,435)	\$ (25,620)
Dividends paid to owners of the Company	(58,383)	(58,383)
Partial disposal of interests in subsidiary without a loss of control	<u>-</u>	<u>49</u>
Net cash used in financing activities	<u>(85,818)</u>	<u>(83,954)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>8,064</u>	<u>3,579</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(116,671)	(275,411)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>443,005</u>	<u>718,416</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 326,334</u>	<u>\$ 443,005</u>

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

SHUTTLE INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Shuttle Inc. (the “Company”) was incorporated in June 1983. The Company is engaged in manufacturing and selling barebones, mainboards, and other computer peripherals, as well as providing related technical services. The Company’s shares were listed and traded on the Taipei Exchange (TPEX) Mainboard from December 8, 1998 until the shares became listed and traded on the Taiwan Stock Exchange (TWSE) starting on March 17, 2000.

The parent company only financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on March 10, 2026.

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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 financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

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

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

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

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

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

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on its financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for assets or liabilities.

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

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on 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 case, 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 transaction.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work in process, finished goods and merchandise and 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. 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 weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

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

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

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

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

When testing for impairment, the cash-generating unit is determined based on the parent company only financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and side-stream transactions between subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

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

Freehold land is not depreciated.

Depreciation on 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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

h. Other intangible assets

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.

Expenditure on research activities is recognized as expenses in period in which it is incurred.

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

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

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis, otherwise corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

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

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 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. A reversal of an impairment loss is recognized in profit or loss.

- j. Financial instruments

Financial assets and financial liabilities are recognized when a company 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 issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss 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 category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

- i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated 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, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 27.

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, trade receivables at amortized cost, other receivables 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
- iv) 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.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, 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

Equity instruments issued by a group entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

k. Provisions

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation by the management of the Company.

l. Revenue recognition

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of computer equipment. Sales of computer equipment are recognized as revenue when 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. Any amounts received in advance with remaining obligation are recognized as contract liabilities.

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

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

m. Leases

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

1) The Company 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.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset 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, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. 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 parent company only 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. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

n. 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 service.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined contribution retirement benefit plans are determined using the projected unit credit method. Current service cost and net interest on the net defined benefit assets are recognized as employee benefits expense 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 represents the actual surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

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

1) Current tax

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the 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 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 and unused loss carry forward 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, and associates and interests in joint ventures, except where the Company 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 asset to be recovered. A 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 liability is settled or the asset realized, based on tax rates (and tax 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Valuation of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and historical experience with selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2025	2024
Cash on hand	\$ 300	\$ 300
Checking accounts and demand deposits	326,034	278,855
Cash equivalents		
Time deposits with original maturities of less than 3 months	<u>-</u>	<u>163,850</u>
	<u>\$ 326,334</u>	<u>\$ 443,005</u>

The market rate intervals of cash in bank and time deposits with original maturities of less than 3 months at the end of the reporting period were as follows:

	<u>December 31</u>	
	2025	2024
Demand deposits	0.000%-0.705%	0.001%-1.05%
Time deposits with original maturities of less than 3 months	-	1.65%-4.68%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2025	2024
<u>Financial assets at fair value through profit and loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ 567</u>	<u>\$ 3,103</u>
<u>Financial assets at fair value through profit and loss (FVTPL) - non-current</u>		
Non-derivative financial assets		
Foreign Bonds	\$ 6,233	\$ -
Foreign Fund beneficiary certificates	<u>16,584</u>	<u>-</u>
	<u>\$ 22,817</u>	<u>\$ -</u>

At the end of reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Period	Contract Amount (In Thousands)
<u>December 31, 2025</u>			
Sell	JYP/USD	115.01.21	EUR38,500/USD264
<u>December 31, 2024</u>			
Sell	EUR/USD	2025.02.10-2025.02.20	EUR1,450/USD1,549
Sell	EUR/NTD	2025.01.21-2025.02.04	EUR1,310/NTD46,157
Sell	JPY/USD	2025.04.14-2025.05.19	JPY40,250/USD266
Sell	JPY/NTD	2025.01.24-2025.02.27	JPY25,500/NTD5,638

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Domestic listed shares	\$ 8,616	\$ 8,335
<u>Non-current</u>		
Domestic listed shares	\$ 21,405	\$ 23,523
Foreign unlisted shares	117,735	99,164
	<u>\$ 139,140</u>	<u>\$ 122,687</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	2025	2024
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 13,329	\$ 12,536
Less: Allowance for impairment loss	(7)	(7)
	<u>\$ 13,322</u>	<u>\$ 12,529</u>
Other receivables	<u>\$ 2,995</u>	<u>\$ 11,653</u>

a. Trade receivables

The average credit terms range from 90 to 120 days. No interest was charged on trade receivables. The Company adopted a policy of rating its major customers by using other public financial information or its own trading records and obtaining sufficient collateral or insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

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

The following tables detail the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.05%	0.30%	1.00%	3.00%	7.00%	100%	
Gross carrying amount	\$ 13,245	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ 13,329
Loss allowance (Lifetime ECL)	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Amortized cost	<u>\$ 13,238</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,322</u>

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.05%	0.30%	1.00%	3.00%	9.00%	100.00%	
Gross carrying amount	\$ 12,391	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ 12,536
Loss allowance (Lifetime ECL)	<u>(6)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Amortized cost	<u>\$ 12,385</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,529</u>

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

	2025	2024
Balance at January 1	\$ 7	\$ 21
Less: Net remeasurement of loss allowance	<u>-</u>	<u>(14)</u>
Balance at December 31	<u>\$ 7</u>	<u>\$ 7</u>

b. Other receivables

Other receivables are individually assessed for impairment and considered to be impaired when there is objective evidence of impairment. At the end of reporting period, there was no past due other receivables and the Company had not recognized allowance for impairment on other receivables.

10. INVENTORIES

	<u>December 31</u>	
	2025	2024
Finished goods	\$ 172,921	\$ 188,922
Work in process	548	-
Raw materials	<u>121,261</u>	<u>44,721</u>
	<u>\$ 294,730</u>	<u>\$ 233,643</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were \$627,527 thousand and \$634,725 thousand, respectively. The cost of goods sold included losses from inventory write-downs of \$19,879 thousand and \$22,375 thousand for the years ended December 31, 2025 and 2024, respectively.

11. PREPAYMENTS

	<u>December 31</u>	
	2025	2024
Prepaid expenses - mold templates	\$ 758	\$ 181
Other prepaid expenses	<u>14,348</u>	<u>8,434</u>
	<u>\$ 15,106</u>	<u>\$ 8,615</u>

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

	<u>December 31</u>	
	2025	2024
Holco (BVI) Inc.	\$ 247,018	\$ 273,070
Gold Fountain Limited	215,795	166,569
Fuxing Biomedical Co., Ltd.	30,271	29,987
Liigen Inc.	696	757
Yong Jhao Innovation Investment Co., Ltd.	421,000	475,625
Big Ten Investment Consulting Co., Ltd.	104,768	114,504
Carilex Medical Inc.	<u>25,587</u>	<u>28,884</u>
	<u>\$ 1,045,135</u>	<u>\$ 1,089,396</u>

At the end of the reporting period, the proportion of ownership and voting rights in its subsidiaries held by the Company were as follows:

	December 31	
	2025	2024
Holco (BVI) Inc.	100.00%	100.00%
Gold Fountain Limited	100.00%	100.00%
Fuxing Biomedical Co., Ltd.	100.00%	100.00%
Liigen Inc.	100.00%	100.00%
Yong Jhao Innovation Investment Co., Ltd.	100.00%	100.00%
Big Ten Investment Consulting Co., Ltd.	100.00%	100.00%
Carilex Medical Inc.	6.26%	6.26%

The shares of Carilex Medical Inc. have been listed in the Emerging Stock Market since February 27, 2024.

The Company's share of profit or loss and other comprehensive income of its subsidiaries was recorded based on their parent company only financial statements for the years ended December 31, 2025 and 2024, which had all been audited, except those of Liigen Inc.

13. PROPERTY, PLANT, AND EQUIPMENT

	Land	Machinery and Equipment	Transportation Equipment	Facilities	Other Equipment	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 988,303	\$ 34,047	\$ 1,080	\$ 21,104	\$ 17,484	\$ 1,062,018
Additions	-	5,282	-	-	-	5,282
Disposals	-	(3,732)	-	(6,407)	(2,810)	(12,949)
Balance at December 31, 2024	<u>\$ 988,303</u>	<u>\$ 35,597</u>	<u>\$ 1,080</u>	<u>\$ 14,697</u>	<u>\$ 14,674</u>	<u>\$ 1,054,351</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 33,723	\$ 922	\$ 20,356	\$ 16,575	\$ 71,576
Depreciation expenses	-	864	50	186	104	1,204
Disposals	-	(3,732)	-	(6,407)	(2,810)	(12,949)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 30,855</u>	<u>\$ 972</u>	<u>\$ 14,135</u>	<u>\$ 13,869</u>	<u>\$ 59,831</u>
Carrying amounts at December 31, 2024	<u>\$ 988,303</u>	<u>\$ 4,742</u>	<u>\$ 108</u>	<u>\$ 562</u>	<u>\$ 805</u>	<u>\$ 994,520</u>
<u>Cost</u>						
Balance at January 1, 2025	\$ 988,303	\$ 35,597	\$ 1,080	\$ 14,697	\$ 14,674	\$ 1,054,351
Additions	-	103	-	4,450	-	4,553
Disposals	-	-	-	-	(679)	(679)
Balance at December 31, 2025	<u>\$ 988,303</u>	<u>\$ 35,700</u>	<u>\$ 1,080</u>	<u>\$ 19,147</u>	<u>\$ 13,995</u>	<u>\$ 1,058,225</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2025	\$ -	\$ 30,855	\$ 972	\$ 14,135	\$ 13,869	\$ 59,831
Depreciation expenses	-	1,195	50	557	54	1,856
Disposals	-	-	-	-	(679)	(679)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 32,050</u>	<u>\$ 1,022</u>	<u>\$ 14,692</u>	<u>\$ 13,244</u>	<u>\$ 61,008</u>
Carrying amounts at December 31, 2025	<u>\$ 988,303</u>	<u>\$ 3,650</u>	<u>\$ 58</u>	<u>\$ 4,455</u>	<u>\$ 751</u>	<u>\$ 997,217</u>

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

Machinery and equipment	2-6 years
Transportation equipment	5 years
Facilities	5 years
Other equipment	3-5 years

The Company's board of directors authorized the chairman to deal with the purchase of headquarters buildings in accordance with the resolution of the Company's board of directors on August 3, 2023. The Company signed a \$2,350,776 thousand pre-sale contract on November 9, 2023. The payment is paid based on the progress of construction, which is expected to be completed in 2026, with a final payment of \$1,645,543 thousand. As of December 31, 2025, the Company had paid \$601,126 thousand (classified as other non-current assets - prepayments for buildings and land).

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2025	2024
<u>Carrying amounts</u>		
Buildings	\$ 49,715	\$ 62,408
Transportation equipment	<u>4,543</u>	<u>2,567</u>
	<u>\$ 54,258</u>	<u>\$ 64,975</u>
	<u>For the Year Ended December 31</u>	
	2025	2024
Additions to right-of-use assets	<u>\$ 5,222</u>	<u>\$ 2,749</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 12,692	\$ 12,693
Transportation equipment	<u>3,247</u>	<u>1,896</u>
	<u>\$ 15,939</u>	<u>\$ 14,589</u>

b. Lease liabilities

	<u>December 31</u>	
	2025	2024
<u>Carrying amounts</u>		
Current	<u>\$ 27,369</u>	<u>\$ 25,875</u>
Non-current	<u>\$ 76,784</u>	<u>\$ 100,490</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	0.95%	0.95%
Transportation equipment	1.80%-2.20%	1.10%-1.80%

c. Material leasing activities and terms

The Company leases certain buildings as offices with lease terms of 8 years. These arrangements do not contain renewal or purchase options.

To revitalize assets and strengthen the financial structure, the Company sold the office building at Ruiguang Rd., Neihu Dist., Taipei City in December 2021, to Nan Shan Life Insurance Company, Ltd. at the price of \$801,000 thousand in total, and then leased it back immediately. The Company signed an 8-year lease arrangement with Nan Shan Life Insurance Company, Ltd for the continued use of the building. The lease agreement has a pre-emptive term of the tenancy agreement, with annual rental payments of \$24,762 thousand for the first two years, and an increase of the rental starting from the third year of the lease term at 1% of the prior year's rental fee.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases and low-value asset leases	<u>\$ 753</u>	<u>\$ 819</u>
Total cash outflow for leases	<u>\$ 29,374</u>	<u>\$ 27,787</u>

The Company leases certain office equipment and transportation equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER INTANGIBLE ASSETS

	Computer Software
Balance at January 1, 2024	\$ 1,009
Amortization expenses	<u>(670)</u>
Balance at December 31, 2024	<u>\$ 339</u>
Balance at January 1, 2025	\$ 339
Additions	100
Amortization expenses	<u>(380)</u>
Balance at December 31, 2025	<u>\$ 59</u>

The above computer software is amortized on a straight-line method over 2 to 5 years.

16. OTHER ASSETS - CURRENT AND NON-CURRENT

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Overpaid sales tax	\$ 35,576	\$ 33,139
Others	<u>16,717</u>	<u>20,235</u>
	<u>\$ 52,293</u>	<u>\$ 53,374</u>
<u>Non-current</u>		
Prepayments for building and land (Note 13)	\$ 601,126	\$ 597,526
Restricted bank deposits	21,667	43,333
Refundable deposits	18,476	17,305
Prepayments for equipment	15,461	928
Net defined benefit assets	<u>1,028</u>	<u>1,028</u>
	<u>\$ 657,758</u>	<u>\$ 660,120</u>

17. OTHER PAYABLES

	<u>December 31</u>	
	2025	2024
Accrued salaries and compensation	\$ 41,687	\$ 45,942
Payables for insurance	3,215	3,268
Payables for mold templates	2,313	2,036
Payables for promotion expenses	675	791
Others	<u>19,301</u>	<u>19,530</u>
	<u>\$ 67,191</u>	<u>\$ 71,567</u>

18. PROVISIONS

	<u>December 31</u>	
	2025	2024
Warranties	<u>\$ 46,625</u>	<u>\$ 41,743</u>

The movements of the warranties were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Balance at January 1	\$ 41,743	\$ 42,582
Additional provisions recognized (reversed)	5,912	50
Usage	<u>(1,030)</u>	<u>(889)</u>
Balance at December 31	<u>\$ 46,625</u>	<u>\$ 41,743</u>

The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic benefits that will be required under the Company’s obligations for warranties under local legislation on sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The pension expense of defined contribution plans for the years ended December 31, 2025 and 2024 were \$9,386 thousand and \$9,110 thousand, respectively.

b. Defined benefit plans

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 six 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 Company adopts the defined benefit plan under the Labor Standards Act for a small portion of its foreign employees. The defined benefit pension expenses recognized as a result of employing foreign employees were NT\$0 thousand for the years 2025 and 2024.

The Company’s expected contributions to the plans for the respective subsequent years as of both December 31, 2025 and 2024 were both \$0 thousand.

20. EQUITY

a. Ordinary shares

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Shares authorized (in thousands of shares)	<u>500,000</u>	<u>500,000</u>
Authorized shares	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>343,427</u>	<u>343,427</u>
Issued shares	<u>\$ 3,434,273</u>	<u>\$ 3,434,273</u>

The issued ordinary shares with a par value of \$10 entitle the holders to the rights to vote and receive dividends.

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Share premium of issuance of ordinary shares	\$ 11,865	\$ 11,865
Treasury share transactions	4,483	4,483
Treasury shares transferred to employees	8,740	8,740
The difference between the consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	<u>11,600</u>	<u>17,675</u>
	<u>\$ 36,688</u>	<u>\$ 42,763</u>

The capital surplus arising from shares issued in excess of par (including share premium from issuance of ordinary shares, and treasury share transactions) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash or transferred to share capital which however is limited to a certain percentage of the Company's capital surplus and once a year.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made an earnings distribution or offsetting for deficits after the end of the half-year period in a fiscal year, the profit shall be first utilized for paying taxes and employees' compensation, 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. The partial or full distribution of dividends and bonuses by way of cash is authorized to be approved by the Company's board of directors and reported in the shareholder's meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 21(g).

The Company's Articles also stipulate that the profit of the Company may be distributed by way of cash dividends and/or share dividends. The ratio for cash dividends shall not be less than 10% of the total dividend distribution. However, the Company may adjust the distributed ratio based on the current fund allocation.

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 reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2024 and 2023, which was resolved by the Company's board of directors, was as follows:

	Second Half of 2024	First Half of 2024
Date of Board Resolution	March 6, 2025	August 13, 2024
Legal reserve	\$ <u> -</u>	\$ <u> 2,418</u>
Special reserve	\$ <u> -</u>	\$ <u> (3,918)</u>
Cash dividends	\$ <u> 58,383</u>	\$ <u> -</u>
Cash dividends per share (NT\$)	\$ <u> 0.17</u>	\$ <u> -</u>
	Second Half of 2023	First Half of 2023
Date of Board Resolution	April 18, 2024	August 3, 2023
Legal reserve	\$ <u> -</u>	\$ <u> 4,835</u>
Special reserve	\$ <u> -</u>	\$ <u> (20,079)</u>
Cash dividends	\$ <u> 58,383</u>	\$ <u> -</u>
Cash dividends per share (NT\$)	\$ <u> 0.17</u>	\$ <u> -</u>

The above cash dividend was resolved for distribution by the board of directors, and the appropriation of the remaining earnings was also approved at the shareholders' annual meetings on May 29, 2025 and June 7, 2024, respectively.

The earnings for first half and second half of 2025, were resolved by the Company's board of directors, not to disturbed on August 4, 2025 and March 10, 2026, respectively.

The cash from capital surplus \$34,343 thousand was resolved for distribution by the board of directors on March 10, 2026.

d. Other equity

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Balance at January 1	\$ <u>(34,978)</u>	\$ <u>(31,165)</u>
Recognized for the year		
Unrealized (loss) gain - equity instruments	16,744	(4,981)
Share of subsidiaries accounted for using equity method	<u>(23,776)</u>	<u> 1,157</u>
Other comprehensive income recognized for the year	<u>(7,032)</u>	<u>(3,824)</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(11)</u>	<u> 11</u>
Balance at December 31	\$ <u>(42,021)</u>	\$ <u>(34,978)</u>

21. NET (LOSS) PROFIT

a. Operating income

	For the Year Ended December 31	
	2025	2024
XPC	\$ 740,690	\$ 801,121
Computer peripherals and components	65,616	65,548
Mother board	<u>21,471</u>	<u>28,132</u>
	<u>\$ 827,777</u>	<u>\$ 894,801</u>

The balances of contract liabilities of the Company from the sale of goods as of December 31, 2025 and 2024 were \$1,518 thousand and \$8,586 thousand, respectively. The changes in contract liabilities mainly arise from the differences between the point of meeting the performance obligations and the time of payments by customers.

b. Other income

	For the Year Ended December 31	
	2025	2024
Tooling charge	\$ 43,562	\$ 32,969
Rental income	2,479	2,479
Dividend income	144	128
Others	<u>4,244</u>	<u>7,236</u>
	<u>\$ 50,429</u>	<u>\$ 42,812</u>

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net (loss) gain on financial instruments at FVTPL	\$ (2,672)	\$ 3,041
Net (loss) gain on foreign exchange	(7,213)	21,933
Others	<u>(264)</u>	<u>(180)</u>
	<u>\$ (10,149)</u>	<u>\$ 24,794</u>

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 10	\$ 138
Interest on lease liabilities	<u>1,186</u>	<u>1,348</u>
	<u>\$ 1,196</u>	<u>\$ 1,486</u>

e. Depreciation and amortization

	<u>For the Year Ended December 31</u>	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 120	\$ 26
Operating expenses	<u>17,675</u>	<u>15,767</u>
	<u>\$ 17,795</u>	<u>\$ 15,793</u>
An analysis of amortization by function		
Operating costs	\$ 7,780	\$ 8,952
Operating expenses	<u>380</u>	<u>670</u>
	<u>\$ 8,160</u>	<u>\$ 9,622</u>

f. Employee benefits expense

	<u>For the Year Ended December 31</u>	
	2025	2024
Post-employment benefits (Note 19)	\$ 9,386	\$ 9,110
Salaries and bonuses	184,707	184,541
Labor and health insurance	16,553	16,061
Remuneration of directors	3,780	3,893
Other employee benefits	<u>7,308</u>	<u>6,673</u>
Total employee benefits expense	<u>\$ 221,734</u>	<u>\$ 220,278</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 15,476	\$ 18,857
Operating expenses	<u>206,258</u>	<u>201,421</u>
	<u>\$ 221,734</u>	<u>\$ 220,278</u>

g. Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees and remuneration of directors at rates ranging from 2% to 10% and no higher than 3%, respectively, of the net profit before income tax, compensation of employees, and remuneration of directors for the year.

Following the amendment to the Securities and Exchange Act promulgated in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting held in 2025, which stipulate that no less than 20% of the employee compensation appropriated for the year shall be distributed to entry-level employees.

As the Company incurred a net loss for the year ended December 31, 2025, no compensation of employees or remuneration of directors was accrued. The compensation of employees and the remuneration of directors for the year ended December 31, 2024 were accrued at the rate of 2% each, as resolved by the Company's board of directors on March 6, 2026, amounting to NT\$299 thousand for compensation of employees (including compensation to entry-level employees) and NT\$299 thousand for remuneration of directors.

If there is a change in the proposed amounts after the annual parent company only financial statements are authorized for issue, the differences are accounted for as changes in accounting estimates and are adjusted in the subsequent year.

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

Information on employees' compensation and remuneration of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

- a. Major components of tax expense recognized in profit or loss are as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Current tax		
Adjustments for prior years	\$ <u>193</u>	\$ <u>-</u>
	<u>193</u>	<u>-</u>
Deferred tax		
In respect of the current year	(9,663)	3,542
Adjustments for prior years	<u>9,472</u>	<u>22</u>
	<u>(191)</u>	<u>3,564</u>
Income tax expense recognized in profit or loss	<u>\$ 2</u>	<u>\$ 3,564</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
(Loss) profit before tax	<u>\$ (68,870)</u>	<u>\$ 14,369</u>
Income tax (benefit) expense calculated at the statutory rate (20%)	\$ (13,773)	\$ 2,873
Nondeductible expenses in determining taxable income	7,759	1,139
Tax-exempt income	(29)	(25)
Unrecognized loss carryforwards and deductible temporary differences	(3,619)	(445)
Adjustments for prior year's tax - deferred	9,472	22
Adjustments for prior years' tax - current	<u>192</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 2</u>	<u>\$ 3,564</u>

b. Tax expense recognized in other comprehensive income (loss)

For the Year Ended December 31
2025 **2024**

Deferred tax		
In respect of the current year - exchange differences on translating foreign operations	<u>\$ 654</u>	<u>\$ (4,743)</u>

c. 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 Compre- hensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporarily differences				
Unrealized gross profit on sales	\$ 22,655	\$ (6,054)	\$ -	\$ 16,601
Share of loss of subsidiaries accounted for using the equity method	53,252	-	-	53,252
Exchange differences on translating foreign operations	-	-	633	633
Provisions for loss on inventory and loss on disposal of inventory	9,299	502	-	9,801
Provisions for warranties	8,348	976	-	9,324
Others	<u>185</u>	<u>-</u>	<u>-</u>	<u>185</u>
	93,739	(4,576)	633	89,796
Loss carryforwards	<u>5,300</u>	<u>6,182</u>	<u>-</u>	<u>11,482</u>
	<u>\$ 99,039</u>	<u>\$ 1,606</u>	<u>\$ 633</u>	<u>\$ 101,278</u>
<u>Deferred tax liabilities</u>				
Temporarily differences				
Allowance for impairment loss	\$ 482	\$ (72)	\$ -	\$ 410
Others	<u>686</u>	<u>1,482</u>	<u>(21)</u>	<u>2,152</u>
	<u>\$ 1,168</u>	<u>\$ 1,415</u>	<u>\$ (21)</u>	<u>\$ 2,562</u>

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporarily differences				
Unrealized gross profit on sales	\$ 18,145	\$ 4,510	\$ -	\$ 22,655
Share of loss of subsidiaries accounted for using the equity method	54,031	(779)	-	53,252
Exchange differences on translating foreign operations	4,722	-	(4,722)	-
Provisions for loss on inventory and loss on disposal of inventory	8,812	487	-	9,299
Provisions for warranties	8,516	(168)	-	8,348
Others	<u>675</u>	<u>(490)</u>	<u>-</u>	<u>185</u>
	94,901	3,560	(4,722)	93,739
Loss carryforwards	<u>11,574</u>	<u>(6,247)</u>	<u>-</u>	<u>5,300</u>
	<u>\$ 106,475</u>	<u>\$ (2,714)</u>	<u>\$ (4,722)</u>	<u>\$ 99,039</u>

Deferred tax liabilities

Temporarily differences				
Allowance for impairment loss	\$ 285	\$ 197	\$ -	\$ 482
Others	<u>12</u>	<u>653</u>	<u>21</u>	<u>686</u>
	<u>\$ 297</u>	<u>\$ 850</u>	<u>\$ 21</u>	<u>\$ 1,168</u>

- d. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the parent company only balance sheets

	<u>December 31</u>	
	2025	2024
Loss carryforwards		
Expire in 2025	\$ -	\$ 203,518
Expire in 2026	38,500	38,500
Expire in 2032	59,554	79,737
Expire in 2033	<u>25,590</u>	<u>26,268</u>
	<u>\$ 123,644</u>	<u>\$ 348,023</u>
Deductible temporary differences	<u>\$ 70,560</u>	<u>\$ 67,789</u>

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised:

Unused Amount	Expiry Year
\$ 38,500	2026
99,671	2032
32,836	2033
<u>57,413</u>	2035
<u>\$ 228,420</u>	

f. Income tax assessments

The income tax returns of the Company through 2023 have been assessed by the tax authorities.

23. (LOSSES) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic (losses) earnings per share	<u>\$ (0.20)</u>	<u>\$ 0.03</u>
Diluted (losses) earnings per share	<u>\$ (0.20)</u>	<u>\$ 0.03</u>

The (losses) profit and the weighted-average shares of ordinary shares to calculate (losses) earnings per share were as follows:

Net (Loss) Profit for the Year

	For the Year Ended December 31	
	2025	2024
(Loss) profit used in the computation of basic and diluted (losses) earnings per share	<u>\$ (68,872)</u>	<u>\$ 10,805</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2025	2024
Weighted-average number of ordinary shares used in computation of basic (losses) earnings per share	343,427	343,427
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	<u> -</u>	<u> 18</u>
Weighted average number of ordinary shares used in the computation of diluted (losses) earnings per share	<u>343,427</u>	<u>343,445</u>

The Company may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares are 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. Since the potential ordinary shares from employee compensation would result in an anti-dilutive effect on the computation of loss per share for 2025, they were excluded from the computation of diluted loss per share.

24. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In 2025 and 2024, the Company's subsidiary, Big Ten Investment Consulting Co., Ltd., purchased approximately 365,000 shares and 469,000 shares, respectively, of Carilex Medical Inc., increasing its ownership interest from 71.56% to 73.36% and from 69.25% to 71.56%, respectively.

The above transactions were accounted for as equity-method transactions, since the Company did not cease to have control over the subsidiary. For details about the partial disposal of Carilex Medical Inc., refer to Note 26 to the Company's parent company only consolidated financial statements for the year ended December 31, 2025.

25. CAPITAL MANAGEMENT

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

Key management personnel of the Company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, and the number of new shares issued or repurchased, the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are not measured at fair value

The management believes the carrying amount of the financial assets not carried at fair value is approximately equal to their fair value.

- b. Fair value of financial instruments that are 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				
Derivatives	\$ -	\$ 567	\$ -	\$ 567
Foreign Bonds	6,233	-	-	6,233
Foreign Fund beneficiary certificates	<u>16,584</u>	<u>-</u>	<u>-</u>	<u>16,584</u>
	<u>\$ 22,817</u>	<u>\$ 567</u>	<u>\$ -</u>	<u>\$ 23,384</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	\$ 30,021	\$ -	\$ -	\$ 30,021
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>117,735</u>	<u>117,735</u>
	<u>\$ 30,021</u>	<u>\$ -</u>	<u>\$ 117,735</u>	<u>\$ 147,756</u>
				(Concluded)

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ 3,103</u>	<u>\$ -</u>	<u>\$ 3,103</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 31,858	\$ -	\$ -	\$ 31,858
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>99,164</u>	<u>99,164</u>
	<u>\$ 31,858</u>	<u>\$ -</u>	<u>\$ 99,164</u>	<u>\$ 131,022</u>

There were no transfers between Levels 1 and 2 in the current and prior years.

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

	<u>For the Year Ended December 31</u>	
	2025	2024
Balance at January 1	\$ 99,164	\$ 100,181
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	<u>18,571</u>	<u>(1,017)</u>
Balance at December 31	<u>\$ 117,735</u>	<u>\$ 99,164</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The fair values of foreign unlisted equity securities were determined using income approach. In this approach, the net asset value of each share is evaluated by reference to financial information of the Company, observable information of market prices, and by considering liquidity discounts, both 30% as of December 31, 2025 and 2024. The lower the liquidity discount is, the higher the fair value of the investments.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 23,384	\$ 3,103
Financial assets at amortized cost (Note 1)	541,710	722,662
Financial assets at FVTOCI	147,756	131,022
<u>Financial liabilities</u>		
Amortized cost (Note 2)	225,712	195,781

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables, restricted bank deposits and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

The major financial instruments of the Company include trade receivables, accounts payable and short-term borrowings. The Company's finance department provides services to the business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the market risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured. Sensitivity analysis is an estimate of the influence of the reasonably possible range of the interest rate and currency fluctuation in a year. Sensitivity analysis of interest rate and currency fluctuation was as follows:

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Company is mainly affected by the fluctuations of the U.S. dollar, Japanese yen and Euro.

The table below is the analysis of the sensitivity of the Company's functional currency to a 5% increase or decrease in the relevant currency rate on the balance sheet date. The 5% sensitivity rate is the currency risk factor used in the internal report to management; it is the rate that management believes represents the reasonably possible range of the currency fluctuation. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and assumed their translation at the end of the reporting period for a 5% change in foreign currency rates.

The table below shows the amount of change in income before tax when the Company's functional currency increases by 5% against the other relevant currency. When the Company's functional currency falls 5% against other relevant currency, the impact to income before tax is the negative number of the same amount.

	<u>U.S. Dollar</u>		<u>Japan Yen</u>		<u>Euro</u>	
	<u>For the Year Ended</u>		<u>For the Year Ended</u>		<u>For the Year Ended</u>	
	<u>December 31</u>		<u>December 31</u>		<u>December 31</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit or loss	\$ 593	\$ (4,304)	\$ (2,742)	\$ (894)	\$ (8,604)	\$ (11,760)

The above effects are mainly derived from the Company's outstanding cash in the bank, receivables and payables, which did not have cash flows hedged and which were valued in U.S. dollars, Japanese yen and Euros on the balance sheet date.

b) Interest rate risk

The carrying amount of the Company's exposures to interest rates on financial assets and financial liabilities are as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Fair value interest rate risk		
Financial assets	\$ 21,738	\$ 207,254
Cash flow interest rate risk		
Financial assets	325,963	278,784

Sensitivity analysis

The sensitivity analyses below have been determined the exposure to interest rates risk for non-derivative instruments at the end of the reporting period. Increase or decrease of 25-basis point is 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 25 basis points higher/lower and all other variables were held constant, the Company's profit for the years ended December 31, 2025 and 2024 would increase/decrease by \$815 thousand and \$697 thousand, respectively. This is mainly attributable to the Company's exposure to floating rates on demand deposits and short-term borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in a financial loss to the Company. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the balance sheet as of the balance sheet date.

The Company evaluates its main customers' credit rating by the use of accessible financial information and transaction records with those customers. The Company keeps an eye on credit exposure and customers' credit ratings.

The Company's credit risk is mainly focused on its main customers. As of December 31, 2025 and 2024, the percent of the Company's total receivables from its main customers were 38% and 61%, respectively.

3) Liquidity risk

The Company closely monitors operations and alleviates the effects of fluctuations in cash flows by managing and maintaining sufficient cash and cash equivalents. The management monitors the usage of the bank's financing limit and ensures that the terms of loan agreements are followed.

Bank loans are sources of liquidity for the Company. As of December 31, 2025 and 2024, the Company's unused bank financing limits were \$819,010 thousand and \$828,495 thousand, respectively.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

December 31, 2025

	Weighted- average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
<u>Financial liabilities - non-derivative</u>						
Non-interest bearing liabilities	-	\$ 7,549	\$ 82,174	\$ 135,989	\$ -	\$ -
Lease liabilities	1.00%	<u>2,355</u>	<u>4,709</u>	<u>21,212</u>	<u>77,880</u>	<u>-</u>
		<u>\$ 9,904</u>	<u>\$ 86,883</u>	<u>\$ 157,201</u>	<u>\$ 77,880</u>	<u>\$ -</u>

December 31, 2024

	Weighted- average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
<u>Financial liabilities - non-derivative</u>						
Non-interest bearing liabilities	-	\$ 8,158	\$ 55,655	\$ 131,968	\$ -	\$ -
Lease liabilities	0.96	<u>2,266</u>	<u>4,533</u>	<u>20,170</u>	<u>102,406</u>	<u>-</u>
		<u>\$ 10,424</u>	<u>\$ 60,188</u>	<u>\$ 152,138</u>	<u>\$ 102,406</u>	<u>\$ -</u>

27. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, the Company had business transactions with the following related parties:

- a. The Company's related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
<u>Subsidiaries</u>	
Fuxing Biomedical Co., Ltd.	Subsidiary
Yong Jhao Innovation Investment Co., Ltd.	Subsidiary
Big Ten Investment Consulting Co., Ltd.	Subsidiary
Carilex Medical Inc. (Carilex)	Subsidiary
Liigen Inc.	Subsidiary
Shuttle Commerce (Shenzhen) Ltd. (S.C.M.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Handels GmbH (S.C.H.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Group Inc. (S.C.G.)	Subsidiary of Gold Fountain Limited
Japan Shuttle Co., Ltd. (S.C.J.)	Subsidiary of Gold Fountain Limited
<u>Other parties</u>	
Ares International Corporation	The chairman is a second degree relative of the Company's chairman

- b. Net sales

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Sales revenue	S.C.H.	\$ 425,540	\$ 584,313
	S.C.J.	209,050	41,399
	S.C.G.	52,406	163,978
	Others	<u>12,021</u>	<u>5,356</u>
			<u>\$ 699,017</u>

- c. Purchases of goods

Related Party Category/Name	December 31	
	2025	2024
S.C.H.	<u>\$ 54</u>	<u>\$ 1,068</u>

d. Receivables from related parties

Related Party Category/Name	December 31	
	2025	2024
S.C.G.	\$ 113,216	\$ 63,532
S.C.H.	23,972	119,843
S.C.J.	19,797	10,531
Others	<u>1,961</u>	<u>931</u>
	<u>\$ 158,916</u>	<u>\$ 194,837</u>

The outstanding trade receivables from related parties were unsecured. No expense was recognized for the years ended December 31, 2025 and 2024 for the allowance for impaired trade receivables with respect to the amounts owed by related parties.

e. Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Rental revenue	Others	<u>\$ 274</u>	<u>\$ 274</u>
Other income	S.C.G.	\$ 43,562	\$ 32,969
	Others	<u>785</u>	<u>3,048</u>
		<u>\$ 44,347</u>	<u>\$ 36,017</u>

The Company's sales prices to related parties are based on the price levels in the surrounding geographical area. The Company's purchases from related parties are based on cost-plus prices. The payment period for accounts payable is 120 days. These related-party transactions were all conducted under normal terms.

f. Remuneration of key management personnel

The remuneration of directors and key executives were as follows:

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 27,480	\$ 29,643
Post-employment benefits	<u>608</u>	<u>584</u>
	<u>\$ 28,088</u>	<u>\$ 30,227</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. PLEDGED ASSETS

The following assets were provided as collateral for bank guarantee and loan commitment:

	December 31	
	2025	2024
Restricted bank deposits	<u>\$ 21,667</u>	<u>\$ 43,333</u>

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(Foreign Currencies in Thousands)

	December 31					
	2025			2024		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>						
Monetary items						
USD	\$ 5,030	31.430	\$ 158,087	\$ 6,470	32.785	\$ 212,120
EUR	4,680	36.90	172,689	6,897	34.14	235,463
JPY	273,129	0.2008	54,844	85,149	0.2099	17,873
<u>Financial liabilities</u>						
Monetary items						
USD	5,407	31.430	169,949	3,844	32.785	126,041
EUR	17	36.90	617	8	34.14	266

For the Company's realized and unrealized foreign exchange gains (losses) in 2025 and 2024, refer to Note 21. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: None;
- 3) Significant marketable securities held (excluding investments in subsidiaries and associates and joint ventures): Table 1 (attached);
- 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 (attached);

- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached);
- 6) Information on investees: Table 4 (attached);
- 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 period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5 (attached);
- 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:
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None;
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period:

Seller Company	Related Party	Sales		Trade Receivables	
		Amount	% of Sales	Amount	% of Trade Receivables
Shuttle Inc.	S.C.M.	\$ 10,990	1.33	\$ 1,902	1.10

- c) The amount of property transactions and the amount of the resultant gains or losses: None;
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None;
- e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None;
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

SHUTTLE INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shuttle Inc.	<u>Shares</u>							
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	400,730	\$ 8,616	0.10	\$ 8,616	
	InterServ International Inc.	-	Financial assets at FVTOCI - non-current	1,114,834	21,405	4.77	21,405	
	Lutz Yonson Holdings Company Limited	-	Financial assets at FVTOCI - non-current	1,779	117,735	15.10	117,735	
	<u>Bonds</u>							
	TSMC Arizona Corp USD-denominated foreign bonds	-	Financial assets at FVTPL - non-current	200	6,233	-	6,233	
	<u>Fund</u>							
	UBS (Lux) Bond Fund - Euro High Yield (EUR) (JPY hedged) P-mdist	-	Financial assets at FVTPL - non-current	9,883	16,584	-	16,584	
Yong Jhao Innovation Investment Co., Ltd.	<u>Shares</u>							
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at FVTPL - current	20,000	1,402	0.03	1,402	
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	465,110	10,000	0.12	10,000	
	Ares International Corporation	Chairman has a second-degree kinship to the Company's chairman	Financial assets at FVTOCI - current	150,000	7,477	0.32	7,477	
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	850,000	53,626	1.28	53,626	
	I-See Vision Technology Inc.	-	Financial assets at FVTOCI - non-current	987,128	5,768	2.52	5,768	
	Viware Ulife Co., Ltd.	-	Financial assets at FVTOCI - non-current	400,000	736	8.00	736	
Shui-Mu International Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,330,000	36,963	4.99	36,963		

Note 1: Disclosure of the marketable securities held above is decided by the Company based on the materiality principle.

Note 2: Information on investees is set out in Tables 4 and 5.

SHUTTLE INC. 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)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Shuttle Inc.	S.C.H.	Subsidiary of Gold Fountain Limited	Sale	\$ (425,540)	(51)	OA 120 days	-	-	\$ 23,972	14	
S.C.H.	Shuttle Inc.	Parent company of Gold Fountain Limited	Purchase	425,540	81	OA 120 days	-	-	(23,972)	(81)	
Shuttle Inc.	S.C.G.	Subsidiary of Gold Fountain Limited	Sale	(209,050)	(25)	OA 120 days	-	-	113,216	66	
S.C.G.	Shuttle Inc.	Parent company of Gold Fountain Limited	Purchase	209,050	78	OA 120 days	-	-	(113,216)	(96)	

SHUTTLE INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Shuttle Inc.	S.C.G.	Subsidiary of Gold Fountain Limited	\$ 113,216	2.37	\$ -	-	\$ 13,820	\$ -

SHUTTLE INC.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Shuttle Inc.	Holco (BVI) Inc.	B.V.I.	Investment holding company	\$ 285,137	\$ 285,137	923	100.00	\$ 247,018	\$ (15,459)	\$ (15,459)	Note 1
	Gold Fountain Limited	Cayman Islands	Investment holding company	337,041	337,041	10,000,000	100.00	215,795	12,688	42,957	Notes 1 and 3
	Fuxing Biomedical Co., Ltd.	2F., No. 30, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Providing elderly care services and selling medical peripherals	100,000	100,000	10,000,000	100.00	30,271	284	284	
	Liigen Inc.	6F., No. 32, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Selling and maintaining computers and peripherals	15,000	15,000	1,500,000	100.00	696	(61)	(61)	
	Yong Jhao Innovation Investment Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	379,107	379,107	16,350,000	100.00	421,000	(15,115)	(22,659)	Notes 1 and 2
	Big Ten Investment Consulting Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	182,503	182,503	10,000,000	100.00	104,768	(2,395)	(3,834)	Notes 1 and 2
	Carilex Medical Inc.	No. 77, Keji 1st Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	21,814	21,814	1,270,602	6.26	25,587	(28,979)	(2,663)	Notes 1 and 2
Holco (BVI) Inc.	S.H.K.	Unit 1405-1406, Dominion Centre, 43-59 Queen's Road East, Wanchai	Selling and maintaining computers and peripherals	262,218	262,218	8,001,300	100.00	199,422	(17,094)	(17,094)	
Gold Fountain Limited	S.C.G.	17068 EVERGREEN PL, CITY OF INDUSTRY, CA 91745 U.S.A.	Selling and maintaining computers and peripherals	186,662	186,662	30,000	100.00	98,281	5,516	5,516	Note 1
	S.C.H.	FRITZ-STRASSMANN STR. 5 D-25337 ELMSHORN, GERMANY	Selling and maintaining computers and peripherals	171,495	171,495	-	100.00	161,059	6,373	6,373	Note 1
	S.C.J.	2F Murakami Bldg., 1-8-3 Ojima Koto-ku Tokyo, 136-0072 Japan	Selling and maintaining computers and peripherals	34,658	34,658	2,000	100.00	33,413	891	891	
Yong Jhao Innovation Investment Co., Ltd.	Carilex Medical Inc.	No. 77, Keji 1st Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	146,035	146,035	11,288,829	55.60	161,758	(28,979)	(16,112)	Note 1
Big Ten Investment Consulting Co., Ltd.	Carilex Medical Inc.	No. 77, Keji 1st Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	59,123	44,953	2,334,382	11.50	33,457	(28,979)	(3,289)	Note 1
Carilex Medical Inc.	Carilex Medical Ltd	Unit B3 Chaucer Business Park, Dittons Road, Polegate, BN26 6QH	Selling and maintaining medical peripherals	24,038	24,038	600,000	100.00	37,259	9,216	9,216	
	Carilex Medical USA, Inc.	17068 EVERGREEN PL, CITY OF INDUSTRY, CA 91745 U.S.A.	Selling and maintaining medical peripherals	2,787	2,787	100,000	100.00	8,145	12,784	12,784	Note 1
	Carilex Medical Technologies GmbH	FRITZ-STRASSMANN STR. 5 D-25337 ELMSHORN, GERMANY	Selling and maintaining medical peripherals	6,341	6,341	-	100.00	7,113	2,334	2,334	

Note 1: The recognition of investment gains (losses) was based on the investee's audited parent company only financial statements.

Note 2: The difference between the subsidiaries' net value and the Company's acquisition costs should be amortized monthly.

Note 3: Unrealized gain (loss) on transactions with subsidiaries was considered.

Note 4: Unrealized gain (loss) on sidestream transactions among subsidiaries was considered.

Note 5: The information on investments in mainland China is set out in Table 5.

SHUTTLE INC.

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(New Taiwan Dollars and Foreign Currencies in Thousands)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward						
S.C.M.	Selling and maintaining computers and peripheral products	\$ 55,617	(Note 1)	\$ 55,617	\$ -	\$ -	\$ 55,617	\$ 212	100	\$ 212	\$ 5,986	\$ -
Shandong Lixin Pension Industry Development Co., Ltd.	Elder care service and peripheral products	91,090	(Note 3)	-	-	-	-	(300)	50	(150)	36,719	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025 (Note 5)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$375,336	US\$14,486	\$2,156,725

Note 1: Investments were through a holding company registered in a third region.

Note 2: Investments were through S.H.K.

Note 3: Investment amounts in other investee companies were calculated based on unaudited parent company only financial statements for the same period.

Note 4: The limit stated in the Investment Commission's regulation, "Investment or Technical Cooperation in Mainland China Adjustment Rule", is the higher of the Company's net asset value or 60% of its consolidated net asset value.

Note 5: The amount included original investment amounts of \$7,621 thousand, \$21,319 thousand, \$43,024 thousand, \$215,745 thousand and \$32,010 thousand, which were not returned by the liquidated companies, Shuttle Computer (Shanghai) Incorporation Limited, Shuttle Technology (Shenzhen) Ltd., KAKI, Shuttle Information Technology (Sip) Ltd., and S.C.Q., respectively.