

Mobiletron Electronics Co., Ltd.
Parent Company Only Financial Statements and Independent
Auditors' Report
2025 and 2024
(Stock Code: 1533)

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Mobiletron Electronics Co., Ltd.

2025 and 2024 Parent Company Only Financial Statements and Independent Auditors' Report

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Independent Auditors' Report

Financial Review No. 25004356 (2026)

To Mobiletron Electronics Co., Ltd.

Opinions

Mobiletron Electronics Co., Ltd.'s Parent Company Only Balance Sheets as of December 31, 2025 and 2024, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2025 and 2024, have been audited by the CPAs.

In our opinion, based on our audit results and the audit reports of other accountants (please refer to the other matters section), the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Mobiletron Electronics Co., Ltd. as of December 31, 2025 and 2024, as well as the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2025 and 2024.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Mobiletron Electronics Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that, based on our audit results and the audit reports of other accountants, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of Mobiletron Electronics Co., Ltd. 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.

Key audit matters for the Parent Company Only Financial Statements of Mobiletron Electronics Co., Ltd. for the year ended December 31, 2025 are as follows:

Valuation of inventory valuation allowance losses

Description of the matter

For the accounting policies related to inventory valuation, please refer to Note IV (XIII) to the Parent Company Only Financial Statements; For the critical accounting estimates and assumptions related to inventory valuation, please refer to Note V (II) to the Parent Company Only Financial Statements; For the description of inventory items, please refer to Note VI (IV) to the Parent Company Only Financial Statements. Mobiletron Electronics Co., Ltd.'s total inventory and inventory valuation allowance loss balance as at December 31, 2025 were NT\$555,640 thousand and NT\$77,404 thousand, respectively.

The main business items of Mobiletron Electronics Co., Ltd. are the manufacture and sales of automotive electronic components and digital tools. Due to the rapid changes in technology, there is a high risk of loss on inventory devaluation or obsolescence. Inventories of Mobiletron Electronics Co., Ltd. are measured at the lower of cost and net realizable value; for inventories that have exceeded a certain inventory age and inventories individually identified as obsolete, provision is made for loss on allowance for inventory write-down according to the selling of inventory.

Considering that Mobiletron Electronics Co., Ltd. has diversified products and many types of inventories, the net realizable value used in evaluating outdated and obsolete inventory items and their valuation often involves subjective judgments, so there is a high degree of uncertainty in estimation; and considering that the inventory and its valuation allowance losses of Mobiletron Electronics Co., Ltd. have a significant impact on the financial statements, we have listed the valuation of inventory valuation allowance losses as one of the key audit matters this year.

Corresponding audit procedures

The main audit procedures performed by us on the key audit matter listed above are summarized as follows:

1. Understand and evaluate the operating procedures and internal controls for the assessment of and the provision for allowance for inventory write-down, and then test such controls.
2. Review the annual inventory plan and participate in the annual stocktaking to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.
3. Obtain the inventory age report and check the relevant supporting documents on the date of the inventory change to confirm that the inventory age range is correctly classified and consistent with its policy.
4. Obtain the report of the net realizable value of each inventory, confirm that the calculation logic is consistently adopted, test the basis for the estimation of the net realizable value of the inventory, including checking the sales price, purchase price and other supporting documents, and recalculate and evaluate the rationality of the inventory valuation.

Investments accounted for under equity method - appropriateness of revenue recognition for electric buses

Description of the matter

Considering that the main business item of the subsidiary of Mobiletron Electronics Co., Ltd. - RAC Electric Vehicles Inc. ("RAC") (listed in the table as an investment accounted for under equity method) is the manufacture and sales of various electric buses. Due to the fact that, according to the sales contract, part of the payment must be made after the government subsidy is paid to the buying customer regarding the sales of electric buses. As the receipt of these payments depends on the receipt of relevant government grants by customers, these sales payments are considered variable consideration referred to in paragraphs 50 to 54 of IFRS 15 "Revenue from Contracts with Customers". RAC includes in the transaction price the part of the variable consideration to the extent that a significant reversal is highly improbable. Therefore, when the control over electric bus has been transferred to the customer, RAC recognizes in the sales revenue the amount of the variable consideration to the extent that a significant reversal is highly improbable. Due to the revenue recognition from the sale of electric buses by RAC, the evaluation of whether the variable consideration is to the extent where a significant reversal is highly improbable usually involves a high degree of human judgment and estimation, which is prone to a high degree of uncertainty, thus, we consider the recognition of the sales revenue of electric buses of the subsidiary, RAC, one of the key audit matters this year.

Corresponding audit procedures

The main audit procedures performed by us on the key audit matter listed above are summarized as follows:

1. Obtain the new sales contracts of the subsidiary this year, and confirm that the sales price and payment conditions have been properly authorized and approved.
2. Understand and evaluate the appropriateness of the subsidiary's delivery procedures and obtain the delivery inspection and acceptance form.
3. Obtain the sales cases that have not yet received the payment due to the fact that the customer has not yet received the subsidy on the financial report end date, review the items that have met the requirements of the subsidy letter, evaluate the reasonableness of RAC's estimate that the subsidy requirements can be met, so as to ensure the accuracy of contract assets.

Other matters - reference to audit by other accountants

For some of the investee companies recognized under the equity method that have been included in the Parent Company Only Financial Statements of Mobiletron Electronics Co., Ltd., their financial statements have not been audited by us, but by other accountants. Therefore, in the opinion expressed by us on the above-mentioned Parent Company Only Financial Statements, the amounts listed in the financial statements regarding such companies are based on the audit reports of other accountants. The investment amounts of the aforementioned companies on equity method as at December 31, 2025 and 2024 were NT\$145,582 thousand and NT\$146,149 thousand, respectively, accounting for 2.30% and 2.31% of the total assets, respectively; from January 1 to December 31, 2025 and 2024, the associates and joint ventures recognized for the aforementioned companies were NT\$(22,016) thousand and NT\$(16,732) thousand, respectively, accounting for 41.86% and 41.84% of the comprehensive income, respectively.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the Parent Company Only Financial Statements, the management is also responsible for assessing Mobiletron Electronics Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Mobiletron Electronics Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Mobiletron Electronics Co., Ltd.'s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatements, 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 auditing standards of the Republic of China will always detect a material misstatement in the Parent Company Only Financial Statements 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 financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Mobiletron Electronics Co., Ltd.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 Mobiletron Electronics Co., Ltd.'s ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Mobiletron Electronics Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Mobiletron Electronics Co., Ltd. to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the Parent Company Only audit and for expressing an opinion on the Parent Company Only Financial Statements.

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 in the Republic of China regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters of Mobiletron Electronics Co., Ltd.'s Parent Company Only Financial Statements for the year ended December 31, 2025. 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.

PricewaterhouseCoopers, Taiwan

Liu, Mei-Lan

CPA

Jerry Lai

Financial Supervisory Commission

Approval certificate number:

Jin-Guan-Zheng-Shen-Zi No. 1070323061

Jin-Guan-Zheng-Shen-Zi No. 1120348565

March 10, 2026

Mobiletron Electronics Co., Ltd.
Parent Company Only Balance Sheets
For the Years Ended 2025 and 2024

Unit: NT\$ thousand

Assets			December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	VI(I)	\$ 161,419	3	\$ 642,693	10
1110	Financial assets at fair value through profit or loss - current	VI(II)	203,031	3	34,098	1
1136	Financial assets at amortized cost - current	VI(I) and VIII	15,000	-	-	-
1150	Net notes receivable	VI(III)	3,135	-	3,865	-
1170	Net accounts receivable	VI(III)	103,791	2	117,794	2
1180	Net accounts receivable - related parties	VII(II)	369,086	6	322,784	5
1200	Other receivables		5,314	-	3,777	-
1210	Other receivables - related parties	VII(II)	178,152	3	131,006	2
1220	Current income tax assets		28,458	-	20,475	-
130X	Inventories	VI(IV)	478,236	8	505,021	8
1470	Other current assets		25,864	-	27,042	1
11XX	Total current assets		1,571,486	25	1,808,555	29
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	VI(II)	176,507	3	29,639	-
1517	Financial assets at fair value through other comprehensive income - non-current	VI(V)	121,537	2	113,751	2
1550	Investments recognized under the equity method	VI(VI)	2,471,798	39	2,342,490	37
1600	Property, plant and equipment	VI(VII) and VIII	1,357,017	21	1,395,572	22
1755	Right-of-use assets	VI(VIII) and VII(II)	94,289	1	98,777	2
1760	Investment property, net	VI(X) and VIII	412,609	7	421,611	7
1780	Intangible assets		17,455	-	17,478	-
1840	Deferred income tax assets	VI(XXVII)	115,275	2	86,679	1
1900	Other non-current assets	VIII	3,072	-	3,001	-
15XX	Total non-current assets		4,769,559	75	4,508,998	71
1XXX	Total assets		\$ 6,341,045	100	\$ 6,317,553	100

(Continued)

Mobiletron Electronics Co., Ltd.
Parent Company Only Balance Sheets
For the Years Ended 2025 and 2024

Unit: NT\$ thousand

Liabilities and equity interests			December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	VI(XI)	\$ 993,000	16	\$ 1,023,000	16
2110	Short-term notes and bills payable	VI(XII)	159,882	3	79,943	2
2130	Contract liabilities - current	VI(XXI)	6,786	-	13,591	-
2150	Notes payable		3,226	-	3,457	-
2170	Accounts payable		109,049	2	104,949	2
2180	Accounts payable - related parties	VII(II)	164,280	3	206,883	3
2200	Other payables		90,160	1	78,051	1
2220	Other payables – related parties	VII(II)	-	-	20,107	1
2280	Lease liabilities - current	VII(II)	4,128	-	4,080	-
2320	Long-term liabilities due within one year or one operating cycle	VI(XIII)(XIV)	269,315	4	1,263,553	20
2399	Other current liabilities - Others	VI(XV)	6,764	-	7,785	-
21XX	Total current liabilities		1,806,590	29	2,805,399	45
Non-current liabilities						
2530	Bonds payable	VI(XIII)	-	-	-	-
2540	Long-term borrowings	VI(XIV)	1,843,966	29	948,619	15
2570	Deferred income tax liabilities	VI(XXVII)	148,096	2	114,240	2
2580	Lease liabilities - non-current	VII(II)	93,737	1	97,871	1
2630	Long-term deferred revenue	VI(XV)	31,283	1	36,315	1
2640	Net defined benefit liabilities - non-current	VI(XVI)	34,694	1	36,853	1
2645	Guarantee Deposits and Margins Received	VII(II)	5,489	-	5,489	-
2650	Credit balance of investments accounted for under equity method	VI(VI)	84,825	1	34,292	-
25XX	Total non-current liabilities		2,242,090	35	1,273,679	20
2XXX	Total liabilities		4,048,680	64	4,079,078	65
Equity						
	Share capital	VI(XVII)				
3110	Common stock		985,475	16	985,475	16
	Capital Surpluses	VI(XVIII)				
3200	Capital Surpluses		364,174	5	362,874	5
	Retained earnings	VI(XIX)				
3310	Statutory reserve		372,126	6	372,126	6
3320	Special Reserve		215,152	4	270,229	4
3350	Undistributed earnings		576,787	9	462,923	7
	Other equity interest	VI(XX)				
3400	Other equity interest		(221,349)	(4)	(215,152)	(3)
3XXX	Total equity		2,292,365	36	2,238,475	35
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	IX				
3X2X	Total liabilities and equity interests		\$ 6,341,045	100	\$ 6,317,553	100

The accompanying Notes to Parent Company Only Financial Statements are an integral part of these Parent Company Only Financial Statements.
Please refer to them as well.

Chairman : Tsai, Kim Y.C.

Manager: Tsai, Kim Y.C.

Head of Accounting: Chih-Wei Chan

Mobiletron Electronics Co., Ltd.
Parent Company Only Statements of Comprehensive Income
Years 2025 and 2024 from January 1 to December 31

Unit: NT\$ thousand

(Except for earnings (loss) per share expressed in New Taiwan Dollar)

Item	Note	2025		2024	
		Amount	%	Amount	%
4000 Operating revenues	VI(XXI)	\$ 1,212,195	100	\$ 1,147,568	100
5000 Operating costs	VI(IV)(XXVI)	(912,989)	(75)	(892,004)	(78)
5900 Gross profit		299,206	25	255,564	22
5920 Realized gains from sales		31,741	2	35,713	3
5950 Net gross profit		330,947	27	291,277	25
Operating expenses	VI(XXVI)				
6100 Amortization expenses		(75,943)	(6)	(78,094)	(7)
6200 Administrative Expenses		(177,645)	(15)	(173,575)	(15)
6300 Research and Development Expenses		(112,092)	(9)	(118,956)	(10)
6000 Total operating expenses		(365,680)	(30)	(370,625)	(32)
6900 Operating loss		(34,733)	(3)	(79,348)	(7)
Non-operating income and expenses					
7100 Interest income	VI(XXII)	18,156	2	21,331	2
7010 Other income	VI(XXIII)	63,348	5	70,964	6
7020 Other gains and losses	VI(XXIV)	(7,961)	-	44,747	4
7050 Finance cost	VI(XXV)	(69,545)	(6)	(54,371)	(5)
7070 Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	VI(VI)	99,609	8	(96,826)	(8)
7000 Total non-operating income and expenses		103,607	9	(14,155)	(1)
7900 Net profit (loss) before tax		68,874	6	(93,503)	(8)
7950 Income tax expenses	VI(XXVII)	(11,277)	(1)	(16,083)	(1)
8200 Net Income/(Loss)		<u>\$ 57,597</u>	<u>5</u>	<u>(\$ 109,586)</u>	<u>(9)</u>
Other comprehensive income, net					
Components that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans	VI(XVI)	\$ 1,487	-	\$ 3,955	-
8316 Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	VI(V)(XX)	7,786	1	2,255	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method - components not to be reclassified to profit or loss	VI(XX)	(106)	-	(629)	-
8349 Income tax related to components that are not reclassified subsequently to profit or loss	VI(XXVII)	1,062	-	(690)	-
8310 Components not to be reclassified to profit or loss - total		10,229	1	4,891	-
Components that may be reclassified to profit or loss					
8361 Exchange difference arising from translation of foreign operation financial statements	VI(XX)	(19,045)	(2)	80,880	7
8399 Income tax related to components that may be reclassified to profit or loss	VI(XX)(XXVII)	3,809	-	(16,176)	(1)
8360 Components that may be reclassified to profit or loss - total		(15,236)	(2)	64,704	6
8300 Other comprehensive income, net		<u>(\$ 5,007)</u>	<u>(1)</u>	<u>\$ 69,595</u>	<u>6</u>
8500 Total comprehensive income		<u>\$ 52,590</u>	<u>4</u>	<u>(\$ 39,991)</u>	<u>(3)</u>
Earnings (Loss) per share	VI(XXVIII)				
9750 Basic earnings (loss) per share		<u>\$ 0.58</u>		<u>(\$ 1.11)</u>	
9850 Diluted earnings (loss) per share		<u>\$ 0.58</u>		<u>(\$ 1.11)</u>	

The accompanying Notes to Parent Company Only Financial Statements are an integral part of these Parent Company Only Financial Statements.
Please refer to them as well.

Chairman: Tsai, Kim Y.C.

Manager: Tsai, Kim Y.C.

Head of Accounting: Chih-Wei Chan

Mobiletron Electronics Co., Ltd.
Parent Company Only Statements of Changes in Equity
Years 2025 and 2024 from January 1 to December 31

Unit: NT\$ thousand

		Retained earnings					Other equity interest		
	Note	Common stock	Capital Surpluses	Statutory reserve	Special Reserve	Undistributed earnings	Exchange difference arising from translation of foreign operation financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total Equity
<u>2024</u>									
Balance as of January 1, 2024		\$ 985,475	\$ 389,570	\$ 372,126	\$ 272,771	\$ 719,634	(\$ 100,782)	(\$ 169,447)	\$ 2,469,347
Net loss of this period		-	-	-	-	(109,586)	-	-	(109,586)
Other comprehensive income (OCI) for this period	VI(XX)	-	-	-	-	3,164	64,704	1,727	69,595
Total comprehensive income		-	-	-	-	(106,422)	64,704	1,727	(39,991)
Appropriation and distribution of 2023 earnings	VI(XIX)								
Special Reserve		-	-	-	(2,542)	2,542	-	-	-
Changes in associates accounted for under the equity method	VI(VI)(XVIII)	-	(455)	-	-	-	-	-	(455)
Adjustments arising from changes in percentage of ownership in subsidiaries	VI(VI)(XVIII)	-	(26,241)	-	-	(164,185)	-	-	(190,426)
Disposal of equity instruments at fair value through other comprehensive income	VI(V)(XX)	-	-	-	-	11,354	-	(11,354)	-
Balance as of Tuesday, December 31, 2024		\$ 985,475	\$ 362,874	\$ 372,126	\$ 270,229	\$ 462,923	(\$ 36,078)	(\$ 179,074)	\$ 2,238,475
<u>2025</u>									
Balance as of Wednesday, January 1, 2025		\$ 985,475	\$ 362,874	\$ 372,126	\$ 270,229	\$ 462,923	(\$ 36,078)	(\$ 179,074)	\$ 2,238,475
Current period net profit		-	-	-	-	57,597	-	-	57,597
Other comprehensive income (OCI) for this period	VI(XX)	-	-	-	-	1,190	(15,236)	9,039	(5,007)
Total comprehensive income		-	-	-	-	58,787	(15,236)	9,039	52,590
Appropriation and distribution of 2024 earnings	VI(XIX)								
Special Reserve		-	-	-	(55,077)	55,077	-	-	-
Changes in associates accounted for under the equity method	VI(VI)(XVIII)	-	445	-	-	-	-	-	445
Adjustments arising from changes in percentage of ownership in subsidiaries	VI(VI)(XVIII)	-	855	-	-	-	-	-	855
Balance as of Wednesday, December 31, 2025		\$ 985,475	\$ 364,174	\$ 372,126	\$ 215,152	\$ 576,787	(\$ 51,314)	(\$ 170,035)	\$ 2,292,365

The accompanying Notes to Parent Company Only Financial Statements are an integral part of these Parent Company Only Financial Statements. Please refer to them as well.

Chairman: Tsai, Kim Y.C.

Manager: Tsai, Kim Y.C.

Head of Accounting: Chih-Wei Chan

Mobiletron Electronics Co., Ltd.
Parent Company Only Statements of Cash Flows
Years 2025 and 2024 from January 1 to December 31

Unit: NT\$ thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash Flows from Operating Activities</u>			
Net profit (loss) before tax of the term		\$ 68,874	(\$ 93,503)
Adjustments			
Adjustments to reconcile profit (loss)			
Realized gains from sales		(31,741)	(35,713)
Net gains on financial assets at fair value through profit or loss	VI(XXIV)	(673)	(2,526)
Depreciation	VI(VII)	53,539	61,494
Depreciation expense - right-of-use assets	VI(VIII)	4,488	4,488
Depreciation expense - investment properties	VI(X)	9,002	9,002
Various amortizations of intangible assets	VI(XXVI)	10,109	10,342
Loss (gain) on disposal of property, plant and equipment	VI(XXIV)	158	(94)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	VI(VI)	(99,609)	96,826
Loss on lease modifications	VI(VIII)(XXIV)	-	33
Interest income	VI(XXII)	(18,156)	(21,331)
Dividend income	VI(XXIII)	(3,655)	(1,555)
Property, plant and equipment transferred to expenses		-	2
Government grants income	VI(XV)	(5,032)	(4,651)
Interest expenses	VI(XXV)	68,365	53,144
Interest expenses - lease liabilities	VI(VIII)(XXV)	1,180	1,227
Unrealized exchange gain		(638)	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		730	(696)
Accounts receivable		14,003	(23,526)
Accounts receivable - related parties		(231,367)	(136,464)
Other receivables		98	(1,882)
Inventories		26,785	73,741
Other current assets		1,178	(3,821)
Net changes in operating liabilities			
Contract liabilities		(6,805)	8,987
Notes payable		(231)	2,722
Accounts payable		4,100	(23,539)
Accounts payable - related parties		(42,603)	32,451
Other payables		11,844	6,813
Other payables - related parties		(20,107)	(621)
Other current liabilities		(1,021)	2,609
Net defined benefit liabilities		(672)	(3,555)
Cash (outflow) inflow generated from operating activities		(187,857)	10,404
Interest received		15,369	21,197
Dividend received		3,655	1,555
Interest paid		(58,325)	(43,057)
Income tax paid		(7,977)	(36,426)
Cash outflow generated from operating activities, net		(235,135)	(46,327)

(Continued)

Mobiletron Electronics Co., Ltd.
Parent Company Only Statements of Cash Flows
Years 2025 and 2024 from January 1 to December 31

Unit: NT\$ thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash Flows from Investing Activities</u>			
Acquisition of financial assets at fair value through profit or loss	XII(II)	(\$ 314,490)	\$ -
Increase in financial assets at amortized cost		(15,000)	-
Other receivables - related parties		137,919	166,497
Acquisition of investments accounted for under the equity method	VI(VI)	(14,750)	(702,579)
Acquisition of property, plant and equipment	VI(XXIX)	(14,925)	(13,136)
Proceeds from disposal of property, plant, and equipment		-	1,020
Increase in intangible assets		(10,086)	(7,587)
Cash dividends of investee companies		472	422
Repatriation of earnings of investee companies	VI(VI)	-	80,313
Share capital returned from the capital reduction of investee companies	VI(VI)	49,000	121,743
Increase in refundable deposits		(160)	(163)
Decrease in refundable deposits		103	163
Net cash outflow from investing activities		(181,917)	(353,307)
<u>Cash flows from financing activities</u>			
Amount of short-term borrowings	VI(XXX)	940,000	1,483,000
Amount of short-term borrowing repayments	VI(XXX)	(970,000)	(800,000)
Increased amount of short-term notes and bills payable	VI(XXX)	157,694	238,403
Repayment amount of short-term notes and bills payable	VI(XXX)	(80,000)	(160,000)
Repayment amount of bonds payable	VI(XIII), (XXIX)	(1,000,000)	-
Repayment of the principal portion of lease liabilities	VI(XXX)	(4,086)	(4,062)
Amount of long-term borrowings	VI(XXX)	1,663,000	40,110
Amount of long-term borrowing repayments	VI(XXX)	(770,830)	(184,951)
Cash (outflow) inflow generated from financing activities, net		(64,222)	612,500
(Decrease) Increase in cash and cash equivalents		(481,274)	212,866
Cash and cash equivalents balance at beginning of period		642,693	429,827
Cash and cash equivalents balance at end of period		\$ 161,419	\$ 642,693

The accompanying Notes to Parent Company Only Financial Statements are an integral part of these Parent Company Only Financial Statements.
Please refer to them as well.

Chairman: Tsai, Kim Y.C.

Manager: Tsai, Kim Y.C.

Head of Accounting: Chih-Wei Chan

Mobiletron Electronics Co., Ltd.
Notes to Parent Company Only Financial Statements
2025 and 2024

Unit: NT\$ thousand
(Except as otherwise indicated)

I. Company History

Mobiletron Electronics Co., Ltd. (hereinafter referred to as “the Company”) was established on July 19, 1982. The main business items are the production, manufacturing and trading of electronic components such as automotive engine transmission control system (electronic igniter, voltage regulator and rectifier) and vehicle safety system (TPMS, rear view mirror back up camera, night vision system, and around view monitor), automotive digital tools, power tools, rechargeable flashlights, and other parts and accessories. The Company's shares have been approved for trading on the Taiwan Stock Exchange since April 6, 2001.

II. Date and Procedures of Approval of the Financial Statements

The Parent Company Only Financial Statements have been approved and issued by the Board of Directors on March 10, 2026.

III. Application of New Standards, Amendments and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) as endorsed and released to take effect by the Financial Supervisory Commission (“FSC”)

New, amended and revised IFRS and IAS that have been endorsed and released by the FSC and become effective from 2025 are summarized in the following table:

New, Revised or Amended Standards and Interpretations	Effective Date by International Accounting Standards Board
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The aforementioned standards and interpretations have no significant impact on the Company’s financial position and financial performance based on the Company’s assessment.

(II) Effect of new issuances of or amendments to IFRS and IAS as endorsed by the FSC but not yet adopted by the Company

New, amended and revised IFRS and IAS that have been endorsed by the FSC and become effective from 2026 are summarized in the following table:

New, Revised or Amended Standards and Interpretations	Effective Date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17, ‘Insurance Contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance Contracts’	January 1, 2023

New, Revised or Amended Standards and Interpretations	Effective Date by International Accounting Standards Board
Amendments to IFRS 17, 'First Application of IFRS 17 and IFRS 9 - Comparison Information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except as described below, the aforementioned standards and interpretations have no significant impact on the Company's financial position and financial performance based on the Company's assessment; relevant impact amount will be disclosed when the assessment is completed:

Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"

When updating equity instruments at fair value through other comprehensive income (FVOCI) designated through an irrevocable election, fair values shall be disclosed on a class-by-class basis, and the fair value information shall no longer be disclosed on a per-subject basis. The fair value gains and losses recognized in other comprehensive income during the reporting period shall be disclosed, showing separately the fair value gains and losses related to investments derecognized during the reporting period and the fair value gains and losses related to investments still held at the end of the reporting period; as well as the accumulated gains and losses during the reporting period that were transferred to equity after being derecognized from investments during the reporting period.

(III) Effect of IFRSs and IAS issued by IASB but not yet endorsed by the FSC

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

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

Note: The Financial Supervisory Commission (FSC), in a press release dated September 25, 2025, announced that public companies will be required to apply International Financial Reporting Standard 18 (hereinafter referred to as "IFRS 18") starting from 2028. In addition, Taiwanese companies that wish to early adopt IFRS 18 may elect to do so after IFRS 18 has been endorsed by the FSC.

Except as described below, the aforementioned standards and interpretations have no significant impact on the Company's financial position and financial performance based on the Company's assessment; relevant impact amount will be disclosed when the assessment is completed:

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the comprehensive income statement, adds disclosures on management performance measures, and strengthens the aggregation and disaggregation principles applied to the primary financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation these Parent Company Only Financial Statements are described as follows. Unless otherwise stated, such policies are consistently applicable to all the periods presented.

(I) 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.

(II) Basis of preparation

1. Except for the following items, these Parent Company Only Financial Statements have been prepared under the historical cost convention:
 - (1) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and released to take effect by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Parent Company Only Financial Statements are disclosed in Note V.

(III) Foreign currency translation

Items listed in the Company's Parent Company Only Financial Statements are measured in the currency of the primary economic environment in which the Company operates (i.e., the functional currency). The Parent Company Only Financial Statements are presented in NTD, which is the Company's functional and presentation currency.

1. Foreign currency transactions and balances
 - (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Translation differences arising from the translation of these transactions are recognized in profit or loss in the period in which they arise.
 - (2) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange

differences arising upon re-translation at the balance sheet date are recognized in profit or loss in the period in which they arise.

- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are retranslated at the exchange rates prevailing at the balance sheet date, and the currency translation differences arising upon re-translation are recognized in profit or loss in the period in which they arise; those held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date, and the currency translation differences are recognized in other comprehensive income; those not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All foreign exchange gains and losses are presented in the income statement within “other profits and losses”.

2. Translation of foreign operations

The operating results and financial position of all the company entities, associates, and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities presented in each balance sheet are translated at the spot exchange rates at the date of that balance sheet.
- (2) Income and expenses for statement of comprehensive income are translated at the average exchange rates of that period.
- (3) All resulting exchange differences are recognized in other comprehensive income.

(IV) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Liabilities held mainly for trading purposes;
- (3) Assets expected to be realized within twelve months after the reporting period;
- (4) Cash or cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the reporting period.

Assets that meet none of the above criteria are classified by the Company as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Liabilities held mainly for trading purposes;
- (3) Liabilities that are expected to be due and settled within twelve months after the reporting period;
- (4) Where we do not have the right to defer payment of liabilities for at least twelve months after the reporting period.

Liabilities that meet none of the above criteria are classified by the Company as non-current liabilities.

(V) Cash Equivalents

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

(VI) Financial assets at fair value through profit or loss

1. Refers to financial assets that are measured at amortized cost or at fair value through other comprehensive income. When the measurement or recognition inconsistency can be eliminated or significantly reduced, the Company designates them as financial assets at fair value through profit or loss at the time of original recognition.
2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized by the Company using trade date accounting.
3. At initial recognition, the Company measures it at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial liabilities at fair value, and recognizes the gain or loss in profit or loss.
4. The Company recognizes the dividend income in profit or loss when the right to receive payment is established, future economic benefits associated with the dividend flows to the Company, and the amount of the dividend can be measured reliably.

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

1. Financial assets at fair value through other comprehensive income comprise equity instruments which are not held for trading, and for which an irrevocable election has been made at initial recognition to recognize changes in fair value in other comprehensive income; or debt instruments which meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (2) The assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.
2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
3. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity instruments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the instrument. The Company recognizes the dividend income in profit or loss when the right to receive payment is established, future economic benefits associated with the dividend flows to the Company, and the amount of the dividend can be measured reliably.

(VIII) Financial assets at amortized cost

1. Refers to those that meet both of the following criteria:
 - (1) The objective of the Group's business model is achieved by collecting contractual cash flows; and
 - (2) The assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.
2. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized by the Company using trade date accounting.

(IX) Accounts and notes receivable

1. Accounts and notes receivable entitle an unconditional legal right to receive consideration in exchange for transferred goods or rendered services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount by the Company as the effect of discounting is immaterial.

(X) Impairment of financial assets

In respect of accounts and notes receivable, the Company measures, at each balance sheet date, the loss allowance at 12 months expected credit losses if there has been no significant increase in credit risk since initial recognition, after taking into consideration all reasonable and verifiable information that includes forecasts; or measures the loss allowance at the lifetime expected credit losses if such credit risk has increased significantly since initial recognition; for accounts and notes receivable that do not contain a significant financing component, loss allowance shall be measured at the amount of lifetime expected credit losses.

(XI) Derecognition of financial assets

Financial assets are derecognized when the Company's contractual rights to receive the cash flows from the financial assets expire.

(XII) Leasing arrangement (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted-average cost method. The cost of finished goods and goods in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). However, loan costs are excluded. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the balance after deducting the estimated cost required for completion of selling.

(XIV) Investments accounted for under the equity method / subsidiaries and associates

1. Subsidiaries are entities controlled by the Company (including structured entities). The Company controls the entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized gains or losses arising from transactions between the Company and its subsidiaries have been eliminated in full. Accounting policies of subsidiaries have been adjusted when necessary in order to be consistent with those of the Company.
3. The Company's share of profits or losses after the acquisition of subsidiaries is recognized in profit or loss in the period in which they arise, and its share of other comprehensive income after the acquisition is recognized in other comprehensive income. If the loss share recognized by the Company of a subsidiary is equal to or exceeds the equity in such subsidiary, the Company continues to recognize the loss in proportion to the shareholding.
4. If a change in shareholding in a subsidiary does not result in a loss of control (i.e. transactions with non-controlling interests), such a change is accounted for as an equity transaction, that is, a transaction with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
5. Associates are all entities over which the Company has significant influence but no control. In general, it is presumed that an investor has significant influence if the investor holds directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are recognized at cost after acquisition by the Company.
6. The Company's share of profits or losses after the acquisition of associates is recognized in profit or loss in the period in which they arise, and its share of other comprehensive income after acquisition is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
7. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's shareholding percentage of the associate, the Company recognizes change in equity in the associate in "capital surplus" in proportion to its shareholding.
8. Unrealized gains or losses arising from transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
9. In case an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition

causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

10. When the Company disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. That is, if any gains or losses previously recognized in other comprehensive income are to be reclassified to profit or loss upon disposal of related assets or liabilities, such gains or losses, when the Company loses significant influence over the associates, shall be reclassified from equity to profit or loss. If it still retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
11. The Company performs impairment tests on investments in associates for which impairment indicators exist at each balance sheet date. The entire carrying amount of the investment (including goodwill) is treated as a single asset and is compared with its recoverable amount, which is the higher of its value in use and its fair value less costs of disposal. Any impairment loss recognized is included in the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.
12. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income in the Parent Company Only Financial Statements shall be the same as the share of the current profit and loss and other comprehensive income attributable to the owner of the parent company in the financial report prepared on a consolidated basis. The owner's equity in the Parent Company Only Financial Statements shall be the same as the equity attributable to the owner of the parent company in the financial report prepared on a consolidated basis.

(XV) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized as profit or loss during the financial period in which they are incurred.
3. While land is not depreciated, other property, plant and equipment that apply cost model are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant in relation to the total cost of the item, it must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end by the Company. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns

of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. Useful lives of property, plant and equipment are as follows:

Type	Useful life in years
Buildings and Structures	3-50 years
Machinery and equipment	2-15 years
Mold equipment	2-8 years
Transportation Equipment	5-10 years
Other facilities	2-15 years

(XVI) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities when they are available for use by the Company. When the lease contract is for a short-term lease or a lease of low-value underlying assets, the lease payments are recognized as an expense on a straight-line basis over the lease term.
2. The lease liabilities are recognized at the present value of the unpaid lease payments at the interest rate of the Company's incremental borrowings on the lease commencement date. The lease payments are fixed payments, less any rental incentives that may be received.

It is subsequent measured at amortized cost by the interest method, and the interest expense is set aside during the lease period. The lease liabilities will be reassessed and the right-of-use assets will be adjusted accordingly when there is a change in the lease term or lease payment not caused by contractual modification.

3. The right-of-use assets are recognized at cost on the lease commencement date. The costs include:
 - (1) The original measured amount of the lease liabilities;
 - (2) Any lease payments paid on or before the commencement date; and
 - (3) Any original direct costs incurred.

The costs will be subsequently measured according to cost model, and the depreciation expense will be set aside upon the expiration of the useful life of the right-of-use asset or the lease term, whichever is earlier. When the lease liabilities are reassessed, the right-of-use assets will be adjusted for any remeasurement of the lease liabilities.

4. For lease modifications that reduce the scope of the lease, the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between this amount and the remeasurement of the lease liability in profit or loss. For all other lease modifications, the lessee makes a corresponding adjustment to the right-of-use asset based on the remeasurement of the lease liability.

(XVII) Investment properties

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property, except for land, is depreciated on a straight-line basis over its estimated useful life of 50 years.

(XVIII) Intangible assets

Computer software and patents are stated at cost and amortized on a straight-line basis over the estimated useful life of 3 to 10 years.

(XIX) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior periods no longer exist or diminish, the impairment loss shall be reversed. However, the increased carrying amount due to reversal shall not exceed the carrying amount of the asset, less depreciation or amortization, if the impairment loss had not been recognized.

(XX) Loans

Refer to long-term and short-term bank borrowings. Loans are recognized initially at fair value, net of transaction costs incurred by the Company. Loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loans using the effective interest rate method.

(XXI) Notes and accounts payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount by the Company as the effect of discounting is immaterial.

(XXII) Convertible corporate bonds payable

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares) and call options. The Company classifies the bonds payable upon issuance as a financial asset or an equity instrument in accordance with the contract terms. They are accounted for as follows:

1. Embedded call options: At the time of original recognition, the net amount of fair value is stated as the "financial assets or liabilities at fair value through profit or loss"; subsequently on the balance sheet date, it is evaluated at the then current fair value, and the difference is recognized as "profit or loss on financial assets at fair value through profit or loss".
2. Master contract for corporate bonds: Any difference between the initial recognition and the redemption value is accounted for as the discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to "finance costs" over the period of circulation using the effective interest method.

3. Embedded conversion options (which meet the definition of an equity instrument): initially recognized in “capital surplus - share options” at the residual amount of total issue price less the amount of “financial assets or financial liabilities at fair value through profit or loss” and “bonds payable” as stated above, and are not subsequently remeasured.
4. Any transaction costs directly attributable to the issuance are allocated to each liability and equity component in proportion to the initial carrying amount of each abovementioned item.
5. When bondholders exercise conversion options, the liability component of the bonds (including “bonds payable” and “financial assets or liabilities at fair value through profit or loss”) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and “capital surplus - share options”.

(XXIII) Derecognition of financial liabilities

A financial liability is derecognized by the Company when the obligations specified in the contract are performed, canceled, or have expired.

(XXIV) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is the market yield on the balance sheet date of government bonds with the same currency and period as the defined benefit plan at the balance sheet date.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Expenses related to prior service costs are recognized immediately in profit or loss.

3. Termination benefits

Termination benefits are benefits provided when the employment of an employee is

terminated before the normal retirement date or when the employee decides to accept the company's offer of benefits in exchange for termination of employment. The Company recognizes expenses when the offer of termination benefits can no longer be withdrawn or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled 12 months after the balance sheet date shall be discounted.

4. Employees' compensation and directors' remuneration

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

(XXV) Income tax

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

5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously; deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carry-forward of unused tax credits due to the provisions of the relevant income tax laws and regulations to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXVI) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options, net of income tax, are shown as a deduction in equity.

(XXVII) Dividend distribution

Dividends distributed to shareholders of the Company are recognized in the financial statements when the shareholders' meeting of the Company resolves to distribute dividends, and cash dividends distributed are recognized as liabilities.

(XXVIII) Revenue recognition

1. The Company manufactures and sells electronic components such as automotive engine transmission control system (electronic igniter, voltage regulator and rectifier) and vehicle safety system (TPMS, rear view mirror back up camera, night vision system, and around view monitor), automotive digital tools, BMS, power tools, rechargeable flashlights, and other parts and accessories. Sales revenue is recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel (or the use of the products) and price to sell the products, and the Company has no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all criteria for acceptance have been satisfied.
2. Sales revenue is recognized in the amount equal to its contractual price less estimated sales discounts and allowance. The sales discount given to customers is usually estimated based on historical experience. The payment terms of sales transactions are mainly 30 to 90 days after monthly settlement. Since the time interval between the transfer of the promised merchandise to the customer and the payment by the customer is less than one year, the Company has not adjusted the transaction price to reflect the time value of money.
3. The customer pays at the time specified in the payment schedule. If the payables of customer exceed the products sold by the Company, a contract liability is recognized.

(XXIX) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and the grant will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognized as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

V. Critical Accounting Judgments, Estimates and Assumptions on Uncertainty

During the preparation of these Parent Company Only Financial Statements, management has made critical judgments in applying the Company's accounting policies and has made critical accounting assumptions and estimates as to have a reasonable expectation of future events based on the circumstances on the balance sheet date. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. These assumptions and estimates may cause significant adjustments to the book value of assets and liabilities in the following financial year. Below details the uncertainties of critical accounting judgments, estimates and assumptions:

(I) Critical judgments in applying the Company's accounting policies

None.

(II) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date based on judgments and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. This inventory valuation may result in significant changes.

As of December 31, 2025, the carrying amount of inventories of the Company was NT\$478,236 thousand.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 328	\$ 406
Checking accounts and demand deposits	95,117	17,626
Foreign currency deposit	65,974	143,419
Time deposits	-	481,242
	<u>\$ 161,419</u>	<u>\$ 642,693</u>

1. The Company transacts with a variety of financial institutions with high credit quality for the purpose of dispersing credit risk, so it is expected that the probability of counterparty default is low.
2. Information on the Company's pledged cash and cash equivalents is provided in Note VIII.

3. Cash and cash equivalents of NT\$15,000 thousand that are restricted in use are classified as financial assets at amortized cost.

(II) Financial assets at fair value through profit or loss

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity fund	\$ 5,000	\$ 5,000
Listed stocks	10,804	10,804
Convertible bonds	164,700	-
	<u>180,504</u>	<u>15,804</u>
Plus: Valuation adjustments	22,527	18,294
Total	<u>\$ 203,031</u>	<u>\$ 34,098</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Convertible bonds	\$ 149,790	\$ -
Unlisted shares	31,354	31,354
	<u>181,144</u>	<u>31,354</u>
Plus: Valuation adjustments	(4,637)	(1,715)
Total	<u>\$ 176,507</u>	<u>\$ 29,639</u>

1. In 2025 and 2024, the Company recognized a net profit of NT\$1,311 thousand (including valuation gains of NT\$673 thousand and unrealized foreign exchange gains of NT\$638 thousand) and a net profit of NT\$2,526 thousand, respectively, of financial assets at fair value through profit or loss (including derivative financial products).
2. The Company has no financial assets at fair value through profit or loss pledged or guaranteed to others.
3. For information relating to credit risk of financial assets at fair value through profit or loss, please refer to Note XII(II).

(III) Notes receivable and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	<u>\$ 3,135</u>	<u>\$ 3,865</u>
Accounts receivable	\$ 104,145	\$ 118,148
Less: Loss provisions	(354)	(354)
	<u>\$ 103,791</u>	<u>\$ 117,794</u>

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

	December 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 82,826	\$ 3,135	\$ 96,923	\$ 3,865
Within 30 days	8,495	-	16,120	-
31 to 90 days	8,334	-	4,645	-
91 to 180 days	4,136	-	106	-
Over 181 days	354	-	354	-
	<u>\$ 104,145</u>	<u>\$ 3,135</u>	<u>\$ 118,148</u>	<u>\$ 3,865</u>

The table above shows an aging analysis based on the number of days overdue.

2. On December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables (including notes receivable) in contracts between the Company and customers were NT\$106,926 thousand, NT\$121,659 thousand and NT\$97,437 thousand respectively.
3. Without taking into account the collateral or other credit enhancements held, the risk exposure amount that is most representative of the maximum credit risk of the Company's accounts receivable and notes receivable as of December 31, 2025 and 2024 was the carrying amount of each type of accounts receivable and notes receivable.
4. Information concerning credit risks is provided in Note XII(II).

(IV) Inventories

	December 31, 2025		
	Costs	Allowance provision for write-down	Carrying amount
Raw materials	\$ 267,944	(\$ 39,635)	\$ 228,309
Raw materials - process outsourced to overseas subsidiaries	58,528	-	58,528
Work in process	25,150	(1,215)	23,935
Finished goods	172,708	(30,735)	141,973
Commodities	31,310	(5,819)	25,491
Total	<u>\$ 555,640</u>	<u>(\$ 77,404)</u>	<u>\$ 478,236</u>

	December 31, 2024		
	Costs	Allowance provision for write-down	Carrying amount
Raw materials	\$ 325,470	(\$ 66,523)	\$ 258,947
Raw materials - process outsourced to overseas subsidiaries	67,792	-	67,792
Work in process	23,617	(718)	22,899
Finished goods	168,749	(32,291)	136,458
Commodities	24,557	(5,632)	18,925
Total	<u>\$ 610,185</u>	<u>(\$ 105,164)</u>	<u>\$ 505,021</u>

Inventory-related expenses recognized in the current period:

	2025	2024
Cost of inventories sold	\$ 847,689	\$ 810,943
Unallocated fixed manufacturing overheads	56,883	57,520
Retirement losses	37,064	8,340
Loss (gain from price recovery) on write-down	(27,760)	15,494
Gain on physical inventory	(887)	(293)
	<u>\$ 912,989</u>	<u>\$ 892,004</u>

The Company's 2025 gain from inventory price recovery was due to the scrapping and selling of some of the inventories that had been set aside as losses, resulting in a recovery in the net realizable value of inventories.

(V) Financial assets at fair value through other comprehensive income - non-current

Item	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Emerging market stocks	\$ 22,583	\$ 22,583
Private company stocks	131,653	131,653
Valuation adjustments	(32,699)	(40,485)
Total	<u>\$ 121,537</u>	<u>\$ 113,751</u>

1. The Company has chosen to classify equity investments that are considered to be strategic investments or for stable dividends as financial assets at fair value through other comprehensive income. The fair values of these investments as at December 31, 2025 and 2024 were NT\$121,537 thousand and NT\$113,751 thousand, respectively.
2. Subsequently, Megago Tech Co., Ltd. completed cash capital increases and the alteration registrations on June 19, 2024. The Company did not participate in the cash capital increases, so its shareholding ratio decreased from 14.87% to 14.81%.
3. NExT-e issued new shares in October and November 2025. At an extraordinary shareholders' meeting held on November 19, 2025, the conversion ratio of Class F shares was approved to be increased to two shares for one share. The Company did not participate in the issuance, so its shareholding ratio decreased from 6.91% to 5.15%.
4. NExT-e Solutions INC. (hereinafter referred to as NExT-e) conducted cash capital increases on June 19, 2024. The Company did not participate in the cash capital increases, so its shareholding ratio decreased from 7.32% to 6.91%.

5. Amounts recognized in comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 7,786	\$ 2,255
Accumulated profits reclassified as retained earnings due to derecognition	\$ -	\$ 11,354
Dividend income recognized in profit or loss		
Held at the end of the period	\$ -	\$ 208
Derecognized during this period	\$ -	\$ 1,180
	<u>\$ -</u>	<u>\$ 1,388</u>

(VI) Investments recognized under the equity method

	December 31, 2025				
	Shareholdin g ratio	Carrying amount	Unrealized gross profit on sales	effect of buyer tax	Book net amount
STONEWALL VENTURES INC.	100.00%	\$ 718,146	\$ -	\$ 375	\$ 718,521
REGITAR U.S.A. INC.	100.00%	802,036	(49,331)	3,774	756,479
MOBILETRON U.K. LTD.	100.00%	(2,296)	(79,962)	(2,567)	(84,825)
Durofix Co., Ltd.	100.00%	1,311	-	-	1,311
RAC Electric Vehicles Inc.	60.48%	938,959	(14,177)	-	924,782
Moving EV Service Company Ltd.	50.00%	14,735	-	-	14,735
Blade Hydrogen Green Technology Co., Ltd.	15.57%	49,621	-	-	49,621
H2 Energy Co., Ltd.	23.44%	6,349	-	-	6,349
Subtotal		<u>\$ 2,528,861</u>	<u>(\$ 143,470)</u>	<u>\$ 1,582</u>	<u>2,386,973</u>
Reclassified credit balance of investments accounted for under equity method					84,825
					<u>\$ 2,471,798</u>

	December 31, 2024				
	Shareholdin g ratio	Carrying amount	Unrealized gross profit on sales	effect of buyer tax	Book net amount
STONEWALL VENTURES INC.	100.00%	\$ 633,862	\$ -	\$ 431	\$ 634,293
REGITAR U.S.A. INC.	100.00%	822,230	(74,535)	5,702	753,397
MOBILETRON U.K. LTD.	100.00%	67,148	(96,402)	(5,038)	(34,292)
Durofix Co., Ltd.	100.00%	50,772	-	-	50,772
RAC Electric Vehicles Inc.	60.95%	851,685	(4,274)	-	847,411
Blade Hydrogen Green Technology Co., Ltd.	15.57%	49,797	-	-	49,797
H2 Energy Co., Ltd.	25.00%	6,820	-	-	6,820
Subtotal		<u>\$ 2,482,314</u>	<u>(\$ 175,211)</u>	<u>\$ 1,095</u>	<u>2,308,198</u>
Reclassified credit balance of investments accounted for under equity method					34,292
					<u>\$ 2,342,490</u>

1. (1) On October 5, 2021, RAC Electric Vehicles Inc. (hereinafter referred to as “RAC”), a subsidiary of the Company, issued new shares with restricted employee rights; for the years 2025 and 2024, a net issuance of 944 thousand shares and a recovery of 180 thousand shares occurred due to employee resignations, respectively. The transaction increased the Company's equity by NT\$629 thousand and NT\$814 thousand in 2025 and 2024, respectively, with the shareholding decreasing from 60.95% to 60.48%.
 - (2) The Company participated in the cash capital increase of RAC on March 6, 2024, and the amount paid for the ordinary shares purchased was NT\$666,603 thousand. The transaction increased the Company's shareholding from 54.80% to 61.07% and decreased the Company's equity by NT\$198,659 thousand since the Company did not subscribe according to the shareholding ratio.
 - (3) In July 2024, RAC issued 402,026 new shares for the merger of an additional 25.51% of the issued shares of MaxWin Technology, causing the Company's shareholding in RAC to decrease from 61.07% to 60.86%. The transaction increased the Company's equity by NT\$1,770 thousand.
2. (1) The Board of Directors of the Company's sub-subsidiary, Mobiletron Electronics (Ningbo) Co., Ltd. (hereinafter referred to as “Mobiletron Ningbo”), resolved the repatriation of earnings of RMB20,500 thousand (equivalent to approximately NT\$89,237 thousand) on February 1, 2024. After deducting the withholding tax, the Company actually received NT\$80,313 thousand.
 - (2) On February 1, 2024, the Board of Directors of Mobiletron Ningbo resolved to reduce its capital by US\$3.82 million (equivalent to approximately NT\$121,743 thousand), and the capital reduction was completed on March 20, 2024.
3. In 2025 and 2024, MOBILETRON U.K. LTD. suffered operating losses and its book value became negative, so it was reclassified as credit balance of investments accounted for under equity method.
4. (1) The changes in equity of Blade Hydrogen Green Technology Co., Ltd. (hereinafter referred to as “Blade Hydrogen”) in 2025 resulted in an increase of NT\$495 thousand in the Company's capital surplus.
 - (2) Blade Hydrogen completed its capital increase on August 1 and September 30, 2024. The Company subscribed for a total of 5,995,000 shares, totaling NT\$29,976 thousand, and its shareholding ratio increased from 15.30% to 15.57%. Due to the failure to recognize according to the shareholding ratio, the capital surplus of the Company and RAC decreased by NT\$524 thousand and increased by NT\$9,282 thousand respectively, which affected the amount of NT\$5,125 thousand recognized by the Company.
5. (1) On December 22, 2025, H2 Energy Co., Ltd. (hereinafter referred to as “H2 Energy”) completed its capital increase. The Company did not participate in the capital increase, so its shareholding ratio decreased from 25% to 23.44%. Due to the failure to recognize according to the shareholding ratio, the capital surplus of the Company increased by NT\$175,000.
 - (2) H2 Energy completed its capital increase on April 17 and October 11, 2024. The Company subscribed for a total of 600,000 shares, totaling NT\$6,000 thousand, and its shareholding ratio decreased from 30% to 25%. Due to the failure to recognize

according to the shareholding ratio, the capital surplus of the Company increased by NT\$69,000.

6. On January 21, 2025, the Company's subsidiary, Durofix Co., Ltd., was approved by the Board of Directors to reduce its capital by NT\$49,000 thousand, and the capital reduction was completed on February 19, 2025.
7. Moving EV Service Company Ltd., jointly established by the Company and RAC, was approved for incorporation on September 2, 2025.
8. The above-mentioned long-term equity investments recognized under the equity method in 2025 and 2024 are recognized based on the financial statements of the investee companies that have been audited and certified by accountants during the same period. The details of the recognition of income on investment are as follows:

	December 31, 2025		
	Income on investment	effect of buyer tax	Income on investment
STONEWALL VENTURES INC.	\$ 78,792	(\$ 56)	\$ 78,736
REGITAR U.S.A. INC.	13,680	(1,928)	11,752
MOBILETRON U.K. LTD.	(78,686)	2,471	(76,215)
Durofix Co., Ltd.	11	-	11
RAC Electric Vehicles Inc.	86,433	-	86,433
Moving EV Service Company Ltd.	(15)	-	(15)
Blade Hydrogen Green Technology Co., Ltd.	(447)	-	(447)
H2 Energy Co., Ltd.	(646)	-	(646)
	<u>\$ 99,122</u>	<u>\$ 487</u>	<u>\$ \$99,609</u>

	December 31, 2024		
	Income on investment	effect of buyer tax	Income on investment
STONEWALL VENTURES INC.	\$ 92,758	\$ 180	\$ 92,938
REGITAR U.S.A. INC.	(8,253)	(984)	(9,237)
MOBILETRON U.K. LTD.	(61,938)	4,002	(57,936)
Durofix Co., Ltd.	525	-	525
RAC Electric Vehicles Inc.	(122,783)	-	(122,783)
Blade Hydrogen Green Technology Co., Ltd.	234	-	234
H2 Energy Co., Ltd.	(567)	-	(567)
	<u>(\$ 100,024)</u>	<u>\$ 3,198</u>	<u>(\$ 96,826)</u>

8. Subsidiaries

For information on the Company's subsidiaries, please refer to Note IV(III) to the Company's 2025 Consolidated Financial Statements.

(VII) Property, plant and equipment

2025					
Original cost	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Land	\$ 287,340	\$ -	\$ -	\$ -	\$ 287,340
Buildings and Structures	1,236,220	1,844	-	-	1,238,064
Machinery and equipment	464,336	4,077 (	9,195)	-	459,218
Mold equipment	286,705	1,391 (	304)	310	288,102
Transportation Equipment	18,181	- (	114)	-	18,067
Other facilities	62,681	2,821 (	1,034)	-	64,468
Construction in Process	310	5,009	- (	310)	5,009
Total	\$ 2,355,773	\$ 15,142	(\$ 10,647)	\$ -	\$ 2,360,268
Accumulated depreciation	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	(\$ 252,163)	(\$ 27,604)	\$ -	\$ -	(\$ 279,767)
Machinery and equipment	(389,574)	(20,228)	9,037	-	(400,765)
Mold equipment	(256,108)	(2,489)	304	-	(258,293)
Transportation Equipment	(9,901)	(1,635)	114	-	(11,422)
Other facilities	(52,455)	(1,583)	1,034	-	(53,004)
Total	(\$ 960,201)	(\$ 53,539)	\$ 10,489	\$ -	(\$ 1,003,251)
Book value	\$ 1,395,572				\$ 1,357,017
2024					
Original cost	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Land	\$ 287,340	\$ -	\$ -	\$ -	\$ 287,340
Buildings and Structures	1,232,069	3,838	-	313	1,236,220
Machinery and equipment	466,726	4,780 (	7,170)	-	464,336
Mold equipment	287,676	1,855 (	3,051)	225	286,705
Transportation Equipment	18,524	- (	343)	-	18,181
Other facilities	60,926	2,442 (	687)	-	62,681
Construction in Process	540	310	- (	540)	310
Total	\$ 2,353,801	\$ 13,225	(\$ 11,251)	(\$ 2)	\$ 2,355,773

Accumulated depreciation	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	(\$ 224,528)	(\$ 27,635)	\$ -	\$ -	(\$ 252,163)
Machinery and equipment	(371,619)	(24,992)	7,037	-	(389,574)
Mold equipment	(254,714)	(3,652)	2,258	-	(256,108)
Transportation Equipment	(8,609)	(1,635)	343	-	(9,901)
Other facilities	(49,562)	(3,580)	687	-	(52,455)
Total	(\$ 909,032)	(\$ 61,494)	\$ 10,325	\$ -	(\$ 960,201)
Book value	<u>\$ 1,444,769</u>				<u>\$ 1,395,572</u>

1. Significant components of the Company's buildings and structures include the buildings and plumbing, electrical, fire protection, and air conditioning, which are depreciated on a 50 and 20-year basis, respectively.
2. No capitalization of borrowing costs on property, plant and equipment.
3. Property, plant and equipment are assets for own use.
4. Information on guarantees provided by property, plant and equipment is provided in Note VIII.

(VIII) Lease Transactions - Lessee

1. The subject asset leased by the Company is land and buildings, and the lease contract period is usually between 10 and 50 years. The lease contract is negotiated individually and contains various terms and conditions. There is no other restrictions imposed except that the leased assets cannot be used as debit and credit guarantees.
2. The assets leased by the Company for short-term leases are mainly buildings and parking spaces, with the lease period not exceeding 12 months.
3. The information on the carrying amount of the right-of-use assets and the recognized depreciation expense is as follows:

	December 31, 2025	2025	December 31, 2024	2024
	Carrying amount	Depreciation	Carrying amount	Depreciation
Land	\$ 90,783	\$ 4,041	\$ 94,824	\$ 4,040
Buildings	3,506	447	3,953	448
	<u>\$ 94,289</u>	<u>\$ 4,488</u>	<u>\$ 98,777</u>	<u>\$ 4,488</u>

4. Information on the profit and loss items related to the lease contract is as follows:

	2025	2024
<u>Items affecting current profit and loss</u>		
Interest expense of lease liabilities	\$ 1,180	\$ 1,227
Expenses on short-term lease contracts	<u>\$ 1,233</u>	<u>\$ 1,604</u>
Loss on lease modifications	<u>\$ -</u>	<u>\$ 33</u>

5. The Company's total cash outflow on lease in 2025 and 2024 were NT\$6,499 thousand and NT\$6,893 thousand.
6. In 2024, due to rent adjustment, the Company had an increase of NT\$75,000 in right-of-use assets, an increase of NT\$108,000 in lease liabilities, and a loss on lease modifications of NT\$33,000.

(IX) Lease Transactions - Lesser

1. The subject assets leased by the Company are buildings and structures. The lease contract period is 3-8 years. The lease contract is negotiated individually and includes various terms and conditions.
2. The maturity date analysis of the lease payments by the Company on operating leases is as follows:

	December 31, 2025	December 31, 2024
2025	\$ -	\$ 32,934
2026	32,967	32,934
2027	32,958	32,934
2028 onwards	60,394	60,378
Total	<u>\$ 126,319</u>	<u>\$ 159,180</u>

(X) Investment properties

2025					
Original cost	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	\$ 450,118	\$ -	\$ -	\$ -	\$ 450,118
Accumulated depreciation	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	(\$ 28,507)	(\$ 9,002)	\$ -	\$ -	(\$ 37,509)
	<u>\$ 421,611</u>				<u>\$ 412,609</u>
2024					
Original cost	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	\$ 450,118	\$ -	\$ -	\$ -	\$ 450,118
Accumulated depreciation	Opening balance	Increase	Decrease	Transfer	Balance - end of period
Buildings and Structures	(\$ 19,505)	(\$ 9,002)	\$ -	\$ -	(\$ 28,507)
	<u>\$ 430,613</u>				<u>\$ 421,611</u>

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

	2025	2024
Rental income of investment property	\$ 32,934	\$ 32,934
Direct operating expenses incurred by investment properties that generate rental income in the current period	\$ 9,002	\$ 9,002

2. The fair values of investment properties held by the Company as of December 31, 2025 and 2024 were NT\$541,817 thousand and NT\$543,773 thousand, respectively. The fair value for the years 2025 and 2024 has not been evaluated by independent personnel. It is only evaluated by the management of the Company using the model commonly used by market participants. It is evaluated by the discounted cash flow method of future rental income from neighboring areas, which is a level 3 fair value measurement, and the significant unobservable input adopted includes the discount rate.

3. Information on guarantees provided by investment property is disclosed in Note VIII.

(XI) Short-term borrowings

Type of loans	December 31, 2025	Interest rate range	Collateral
Bank credit loans	\$ 850,000	1.965%-2.45%	None
Bank secured loans	143,000	1.965%-2.3%	Restricted deposits, houses and buildings, and investment property
	<u>\$ 993,000</u>		
Type of loans	December 31, 2024	Interest rate range	Collateral
Bank credit loans	\$ 980,000	1.91%-2.05%	None
Bank secured loans	43,000	1.965%	Land, buildings and structures
	<u>\$ 1,023,000</u>		

(XII) Short-term notes and bills payable

Type of loans	December 31, 2025	Interest rate range	Guarantor institution
Commercial papers payable	\$ 160,000	2.108%~2.2%	International Bills Finance Corporation
Less: Discount on commercial papers payable (	118)		China Bills Finance Corporation
	<u>\$ 159,882</u>		
Type of loans	December 31, 2024	Interest rate range	Guarantor institution
Commercial papers payable	\$ 80,000	2.048%	China Bills Finance Corporation
Less: Discount on commercial papers payable (	57)		
	<u>\$ 79,943</u>		

(XIII) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable	\$ -	\$ 1,000,000
Less: Discount on bonds payable	- (	616)
Less: Bonds payable due within one year	-	999,384
	<u>\$ -</u>	<u>\$ -</u>

1. Conditions for 2nd issuance of domestic unsecured convertible bonds by the Company, approved by the competent authority for offering and issuance, are as follows:
 - (1) The total issuance amount is NT\$1,055,139 thousand, with a par value of NT\$100 thousand each, and a coupon rate of 0%. The issuance period is 3 years, and the circulation period is from January 26, 2022 to January 26, 2025. The conversion price of these convertible bonds is set at NT\$73.1 per share at the time of issuance, and will be repaid in cash at the bond par value at maturity.
 - (2) From the day following the expiration of three months after the issuance date of these bonds to ten days before the maturity date, except for the lock-up period in accordance with regulations or laws, the holders of these convertible bonds may request the Company to convert them into the Company's ordinary shares. The rights and obligations of ordinary shares converted are the same as the ones previously issued.
 - (3) From the day following the expiration of three months from the date of issuance (April 27, 2022) of these convertible bonds to forty days before the expiration of the issuance period (December 17, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price by 30% (inclusive) or more for 30 consecutive business days, the Company's outstanding convertible bonds shall be redeemed in cash at the bond par value.
 - (4) According to the provisions of the issuance and conversion regulations, all the convertible corporate bonds that the Company has withdrawn (including repurchased from the places of business of securities firms), repaid or converted will be canceled and cannot be resold or issued, and the conversion rights attached to them will also be extinguished.
2. When issuing convertible corporate bonds, the Company, in accordance with IAS 32 "Financial Instruments: Presentation", separates the conversion right which is of an equity nature from the constituent elements of each liability, and recognizes it in "capital surplus - share options", totaling NT\$83,378 thousand. In addition, the redemption right embedded, according to IFRS 9 "Financial Instruments", is treated separately because it is not closely related to the economic characteristics and risks of the main contract debt product, and is recognized in "financial assets or liabilities at fair value through profit or loss" with its net amount. The effective interest rate of the main contract debt after separation is 1.0958%.
3. The Company's second domestic unsecured convertible corporate bonds issued matured on January 26, 2025, and the Company repurchased its convertible corporate bonds with a par value of NT\$1,000,000 thousand from the Taipei Exchange on February 7, 2025.

(XIV) Long-term borrowings

<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Credit loans	From November 29, 2019 to November 15, 2029; the interest is paid monthly, and the principal shall be repaid monthly after 36 months from the first utilization.	1.325%~ 1.825%	None	\$ 654,325
Credit loans	From September 27, 2019 to August 15, 2028; the interest is paid monthly, and the principal shall be repaid monthly after 36 months from the first utilization.	0.720%	None	270,613
Credit loans	From Friday, May 2, 2025 to Thursday, May 2, 2030; the interest is paid monthly, and the principal shall be repaid every six months starting from 36 months after the initial drawdown.	2.977%	None	250,000
Secured loans	From Friday, May 2, 2025 to Thursday, May 2, 2030; the interest is paid monthly, and the principal shall be repaid every six months starting from 36 months after the initial drawdown.	2.977%	Land and buildings	950,000
Subtotal				2,124,938
Less: Current portion of long-term borrowings				(269,315)
Less: Discounts on government grants				(11,657)
				<u>\$ 1,843,966</u>

Type of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2024
Credit loans	From November 29, 2019 to November 15, 2029; the interest is paid monthly, and the principal shall be repaid monthly after 36 months from the first utilization.	1.325%	None	\$ 819,892
Credit loans	From September 27, 2019 to August 15, 2028; the interest is paid monthly, and the principal shall be repaid monthly after 36 months from the first utilization.	0.720%	None	375,876
Credit loans	From September 27, 2024 to August 29, 2027; the interest is paid monthly, and the principal shall be repaid at maturity.	2.160%	None	37,000
Subtotal				1,232,768
Less: Current portion of long-term borrowings				(264,169)
Less: Discounts on government grants				(19,980)
				<u>\$ 948,619</u>

1. On March 25, 2025, the Company signed a facility agreement with Chang Hwa Bank for a total amount of NT\$1,700,000 thousand. The funds obtained from this syndicated loan will be used to repay existing liabilities of financial institutions and to replenish medium-term working capital. According to the provisions of the syndicated loan agreement:

- (1) During the term of the loan, the Company shall maintain the following financial ratios and shall submit consolidated financial statements audited or reviewed by CPAs semi-annually for the calculation of such ratios:
 - a. Current ratio: not less than 100%;
 - b. Net debt ratio [(net financial debt – cash and cash equivalents) / tangible net worth]: not exceeding 250%;
 - c. Interest coverage ratio [(net profit before tax + interest expense + depreciation and amortization) / interest expense]: not less than 1.5 times;
 - d. Tangible net worth (equity – intangible assets): from the second quarter of 2025 onward, not less than NT\$1.9 billion; from 2026 onward, not less than NT\$2.1 billion.
- (2) If the Company fails to comply with any of the aforementioned financial ratios or covenant requirements, it shall promptly propose specific remedial measures to the agent bank. The period from the current financial statement date (i.e., June 30 and December 31) to the next financial statement date shall be the cure period. If the consolidated financial statements for the subsequent period, as reviewed or audited by CPAs, comply with all the aforementioned financial ratios and covenant requirements, such non-compliance shall not be deemed an event of default under this agreement. However, from the interest payment date in the month following

the submission of the current financial statements until the interest payment date in the month following the date on which compliance with all the aforementioned financial ratios and covenant requirements is achieved, the interest rate on the syndicated loan shall be increased by an additional 0.2% per annum over the originally agreed rate.

- (3) Based on the calculation of the consolidated financial ratios as of December 31, 2025, the Company was in compliance with the aforementioned financial ratio requirements.
3. For information on the provision for pledge guarantee, please refer to Note VIII for details.

(XV) Government grants

1. As of December 31, 2025, the Company has obtained government preferential interest rate loans from E.SUN Bank and Chang Hwa Bank respectively under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”, with an amount of NT\$270,613 thousand and NT\$654,325 thousand, respectively, for capital expenditure and operating turnover. The loans will be repaid in August 2028 and November 2029, respectively. Based on the market interest rates at the time of borrowing of 2.22% and 1.83%, the fair values of the borrowings were estimated at NT\$289,250 thousand and NT\$672,003 thousand respectively. The differences between the obtained amount and the fair value of the loan were NT\$18,637 thousand and NT\$17,678 thousand respectively, which were regarded as government low-interest loan grants and recognized as deferred revenues (under “other current liabilities - others and long-term deferred revenues”). This deferred revenue was transferred to other income of NT\$5,032 thousand and NT\$4,651 thousand on a straight-line basis over the estimated useful life of the assets in 2025 and 2024, respectively.

	December 31, 2025	December 31, 2024
Deferred revenues- Current (under other current liabilities - other)	\$ 5,032	\$ 5,032
Long-term deferred revenue	31,283	36,315
	<u>\$ 36,315</u>	<u>\$ 41,347</u>

2. In 2025 and 2024, the Company received government grants income related to the projects of composite global control platform development and localized production capacity establishment of NT\$1,864 thousand and NT\$8,707 thousand, respectively, and other grants of NT\$0 thousand and NT\$102 thousand, respectively.

(XVI) Pension

1. (1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees’ monthly salaries and wages to the pension fund deposited

with Bank of Taiwan, the trustee, under the name of the Supervisory Committee of Labor Retirement Reserve. Also, the Company assesses the balance in the aforementioned labor pension reserve account by December 31 of every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by the end of next March.

In addition, the Company sets aside pension reserve for the appointed managers. In 2025 and 2024, the recognized cost of pensions was NT\$170 thousand and NT\$147 thousand respectively (under the net defined benefit liabilities). Net defined benefit liabilities for appointed managers as at December 31, 2025 and 2024 were NT\$32,674 thousand and NT\$30,720 thousand respectively.

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 109,575	\$ 108,031
Fair value of plan assets	(74,881)	(71,178)
Net defined benefit liabilities (including appointed managers)	\$ 34,694	\$ 36,853

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2025			
Balance - January 1	\$ 108,031	(\$ 71,178)	\$ 36,853
Service costs for the current period	1,247	-	1,247
Interest expenses (income)	1,680	(1,112)	568
	110,958	(72,290)	38,668
Number of remeasurement:			
Return on plan assets (excluding amounts included in interest income or fees)	-	(4,953)	(4,953)
Effect of changes in demographic assumptions	(25)	-	(25)
Effect of changes in financial assumptions	1,827	-	1,827
Experience adjustments	1,664	-	1,664
	3,466	(4,953)	(1,487)
Contribution to pension fund	-	(2,487)	(2,487)
Pension paid	(4,849)	4,849	-
Program cuts	-	-	-
Balance as of December 31	\$ 109,575	(\$ 74,881)	\$ 34,694

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2024			
Balance - January 1	\$ 108,856	(\$ 64,493)	\$ 44,363
Service costs for the current period	1,040	-	1,040
Interest expenses (income)	1,254	(738)	516
	<u>111,150</u>	<u>(65,231)</u>	<u>45,919</u>
Number of remeasurement:			
Return on plan assets (excluding amounts included in interest income or fees)	-	(6,201)	(6,201)
Effect of changes in demographic assumptions	2	-	2
Effect of changes in financial assumptions	(3,073)	-	(3,073)
Experience adjustments	5,317	-	5,317
	<u>2,246</u>	<u>(6,201)</u>	<u>(3,955)</u>
Contribution to pension fund	-	(5,111)	(5,111)
Pension paid	(5,365)	5,365	-
Program cuts	-	-	-
Balance as of December 31	<u>\$ 108,031</u>	<u>(\$ 71,178)</u>	<u>\$ 36,853</u>

- (4) The assets of the Company's defined-benefit retirement plan fund are handled by the Bank of Taiwan, within the proportion and amount of the entrusted management projects determined by the fund's annual investment and utilization plan, in accordance with the scope in Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (for example, deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products). The relevant utilization situation is supervised by the Labor Pension Fund Supervisory Committee. For the use of the fund, the minimum income distributed in the annual accounts shall not be less than the income calculated according to the two-year time deposit interest rate of the local bank. If there is any shortage, it will be supplemented by the national treasury after being approved by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it cannot disclose the classification of the fair value of the plan assets in accordance with paragraph 142 of IAS 19. For the fair value of the total assets of the fund on December 31, 2025 and 2024, please refer to the report on the use of the labor pension fund for each year announced by the government.

- (5) The actuarial assumptions related to the pensions are summarized below:

	2025	2024
Discount rate	1.35%	1.60%
Future salary increase rate	2.00%	2.00%

Assumptions for future mortality in 2025 and 2024 are both estimated based on the Sixth Taiwan Standard Ordinary Experience Mortality Table.

The analysis of the present value of the defined benefit liabilities due to changes in the key actuarial assumptions adopted is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on the present value of the defined benefit liabilities	(\$ 1,825)	\$ 1,883	\$ 1,866	(\$ 1,818)
December 31, 2024				
Effect on the present value of the defined benefit liabilities	(\$ 1,845)	\$ 1,903	\$ 1,890	(\$ 1,842)

The sensitivity analysis above is based on the analysis of the impact of a change in a single assumption while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. Sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amounted to NT\$2,465 thousand.
- (7) As of December 31, 2025, the weighted average duration of the pension plan was 6 years. The maturity analysis of pension payments is as follows:

Less than 1 year	\$ 6,147
1 to 2 years	4,619
2 to 5 years	52,802
More than 5 Years	56,830
	<u>\$ 120,398</u>

2. (1) Effective July 1, 2005, the Company have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The pensions accrued are paid monthly or in lump sum in line with the amounts in employees' individual accounts and the amounts of accumulated gains.
- (2) The pension costs recognized by the Company according to the above-mentioned New Plan in 2025 and 2024 were NT\$11,106 thousand and NT\$11,628 thousand, respectively.

(XVII) Share capital

On December 31, 2025, the total capital of the Company was NT\$1,850,000 thousand, divided into 185,000 thousand shares (5,000 thousand shares in employee stock options), NT\$10 per share, and the paid-in capital was NT\$985,475 thousand, divided into 98,547 thousand shares. All share price payable for the issued shares of the Company's have been received.

The number of outstanding shares of the Company's ordinary shares at the beginning and end of the period is adjusted as follows (unit: thousand shares):

	2025	2024
The number of shares at the beginning of the period (i.e. the number of shares at the end of the period)	98,547	98,547

(XVIII) Capital Surpluses

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

	2025					
	Share premium	Share options	Adjustments arising from changes in percentage of ownership in subsidiaries	Changes in net equity value in associates	Others	Total
January 1	\$ 270,461	\$ 83,378	\$ 7,947	\$ 412	\$ 676	\$ 362,874
Changes in equity of subsidiaries recognized in proportion to its shareholding ratio	-	-	855	-	-	855
Adjustments arising from changes in percentage of ownership in associates	-	-	-	445	-	445
Redemption of convertible bonds at maturity	-	(83,378)	-	-	83,378	-
December 31	\$ 270,461	\$ -	\$ 8,802	\$ 857	\$ 84,054	\$ 364,174

	2024					
	Share premium	Share options	Adjustments arising from changes in percentage of ownership in subsidiaries	Changes in net equity value in associates	Others	Total
January 1	\$ 270,461	\$ 83,378	\$ 34,188	\$ 867	\$ 676	\$ 389,570
Changes in equity of subsidiaries recognized in proportion to its shareholding ratio	-	-	(26,241)	-	-	(26,241)
Adjustments arising from changes in percentage of ownership in associates	-	-	-	(455)	-	(455)
December 31	\$ 270,461	\$ 83,378	\$ 7,947	\$ 412	\$ 676	\$ 362,874

(XIX) Retained earnings

1. In accordance with the Articles of Incorporation of the Company, if there is net profit after the Company's annual accounting, it shall, in addition to being used to pay for income tax in accordance with the law, first be used to cover the losses in previous years, then 10% of the amount shall be set aside as a legal reserve and another sum may be appropriated as a special reserve in accordance with the law. The remaining amount shall be distributed, after combining with the undistributed earnings from the previous year into the accumulated distributable earnings, per the earnings distribution proposal drafted by the board of directors to be submitted to the shareholders' meeting for final resolution and distribution.
2. The Company's dividend policy is as follows: Due to the ever-changing environment in which the Company is in and the fact that the Company's life cycle is in now the stage of stable growth, in order to consider the improvement of the Company's financial structure, the status of operating surplus and the need to expand its business scale in the future, it is proposed to adopt a residual dividend policy. The earnings distribution proposal proposed by the board of directors shall be submitted to the shareholders' meeting for resolution. Dividends can be made in the form of cash dividends or stock dividends, of which the distribution of cash dividends shall be no less than 10% of the shareholder dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of new stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
4. (1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- (2) For the special reserve amounted to NT\$5,153 thousand in letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021 when IFRSs were adopted for the first time, the Company reverses it based on the original proportion of special reserve when relevant assets are subsequently used, disposed of or reclassified.
5. In the shareholders' meetings on June 17, 2025 and June 18, 2024, the appropriation of the Company's 2024 and 2023 losses were adopted as follows:

	2024	2023
	Amount	Amount
Special Reserve	(\$ 55,077)	(\$ 2,542)

6. As proposed by the Board of Directors on Tuesday, March 10, 2026, the distribution of 2025 earnings is as follows:

	2025
	Amount
Statutory reserve	\$ 5,879
Special Reserve	6,197
	<u>\$ 12,076</u>

The aforementioned earnings distribution proposal has yet to be resolved by the shareholders' meeting as of March 10, 2026.

(XX) Other equity interests

	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	Foreign currency translation	Total
January 1, 2025	(\$ 179,074)	(\$ 36,078)	(\$ 215,152)
Valuation adjustments	7,786	-	7,786
Valuation adjustment tax amount	1,338	-	1,338
Valuation adjustment - associates (	106)	-	(106)
Valuation adjustment tax amount- associates	21	-	21
Foreign currency translation differences:			
– The Company	-	(19,045)	(19,045)
– The Company's tax	-	3,809	3,809
December 31, 2025	<u>(\$ 170,035)</u>	<u>(\$ 51,314)</u>	<u>(\$ 221,349)</u>

	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	Foreign currency translation	Total
January 1, 2024	(\$ 169,447)	(\$ 100,782)	(\$ 270,229)
Valuation adjustments	2,255	-	2,255
Valuation adjustment tax amount (	25)	-	(25)
Reclassification from valuation adjustment to retained earnings(	11,354)	-	(11,354)
Valuation adjustment - associates (	629)	-	(629)
Valuation adjustment tax amount- associates	126	-	126
Foreign currency translation differences:			
– The Company	-	80,880	80,880
– The Company's tax	-	(16,176)	(16,176)
December 31, 2024	(\$ 179,074)	(\$ 36,078)	(\$ 215,152)

(XXI) Operating revenues

	2025	2024
Revenue from contracts with customers	\$ 1,212,195	\$ 1,147,568

1. Classification of revenue from contracts with customers

The Company's revenue, which is derived from the provision of goods transferred at a point in time, can be subcategorized into the following major product lines and geographic areas:

	2025				
	Automotive electronics				Total
<u>2025</u>	Americas	Europe	Asia	Others	
Revenue from contracts with external customers	\$ 306,106	\$ 251,056	\$ 431,248	\$ 50,640	\$ 1,039,050
	2025				
	Digital tools				Total
<u>2025</u>	Americas	Europe	Asia	Others	
Revenue from contracts with external customers	\$ 74,145	\$ 22,204	\$ 76,700	\$ 96	\$ 173,145
	2024				
	Automotive electronics				Total
<u>2024</u>	Americas	Europe	Asia	Others	
Revenue from contracts with external customers	\$ 227,495	\$ 301,649	\$ 380,397	\$ 55,696	\$ 965,237
	2024				
	Digital tools				Total
<u>2024</u>	Americas	Europe	Asia	Others	
Revenue from contracts with external customers	\$ 85,940	\$ 21,723	\$ 72,234	\$ 2,434	\$ 182,331

2. Contract liabilities

- (1) Contract liabilities relevant to revenue of contracts with customers recognized by the Company are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - receipts in advance of payments	\$ 6,786	\$ 13,591	\$ 4,604

- (2) Revenue from contract liabilities at the beginning of the period is recognized as follows:

	2025	2024
Beginning balance of contract liabilities		
Revenue recognized in the current period	\$ 13,543	\$ 4,597

(XXII) Interest income

	2025	2024
Interest income from financial assets at fair value through profit or loss	\$ 10,868	\$ -
Interest income from bank deposits	3,154	16,276
Other interest income	4,134	5,055
	<u>\$ 18,156</u>	<u>\$ 21,331</u>

(XXIII) Other income

	2025	2024
Rental income	\$ 33,066	\$ 33,052
Profit from government grants	6,896	13,460
Dividend income	3,655	1,555
Other income	19,731	22,897
	<u>\$ 63,348</u>	<u>\$ 70,964</u>

For relevant information on government grants income, please refer to Note VI (XV) for details.

(XXIV) Other gains and losses

	2025	2024
Gains (losses) on foreign currency exchange	(\$ 8,374)	\$ 42,242
Gains on financial assets at fair value through profit or loss	673	2,526
Gains (losses) on disposal of property, plant, and equipment	(158)	94
Loss on lease modifications	- (33)	
Others	(102)	(82)
	<u>(\$ 7,961)</u>	<u>\$ 44,747</u>

(XXV) Finance cost

	2025	2024
Interest expenses - bank borrowings	\$ 65,451	\$ 40,567
Interest expenses - short-term notes and bills	2,194	1,503
Interest expenses - lease liabilities	1,180	1,227
Interest expense - convertible bonds	616	10,886
Interest expenses - related parties	104	188
	<u>\$ 69,545</u>	<u>\$ 54,371</u>

(XXVI) Expenses by nature (including employee benefit expenses)

	2025			2024		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee benefit expenses						
Salary expenses	\$ 98,981	\$ 153,054	\$ 252,035	\$ 97,552	\$ 149,584	\$ 247,136
Employee healthcare and labor insurance expenses	12,689	14,367	27,056	13,167	14,873	28,040
Pension expenses	5,446	7,475	12,921	5,734	7,450	13,184
Remuneration Paid to Directors	-	4,020	4,020	-	4,074	4,074
Other personnel expenses	8,395	6,838	15,233	8,179	6,810	14,989
	<u>\$ 125,511</u>	<u>\$ 185,754</u>	<u>\$ 311,265</u>	<u>\$ 124,632</u>	<u>\$ 182,791</u>	<u>\$ 307,423</u>
Depreciation	<u>\$ 36,003</u>	<u>\$ 31,026</u>	<u>\$ 67,029</u>	<u>\$ 41,453</u>	<u>\$ 33,531</u>	<u>\$ 74,984</u>
Amortized expenses	<u>\$ 2,263</u>	<u>\$ 7,846</u>	<u>\$ 10,109</u>	<u>\$ 2,232</u>	<u>\$ 8,110</u>	<u>\$ 10,342</u>

1. The number of employees on December 31, 2025 and 2024 was 413 and 435 respectively. The number of directors who did not concurrently serve as employees was 7 and 7, respectively.
2. As stated in the Company's Articles of Incorporation, based on the Company's profit before tax for the current year and before the distribution of remuneration to the employees and directors, the Company should allocate no less than 3% as the employee remuneration and no more than 3% as the director remuneration if there is any surplus after making up for the losses. Of the employee remuneration amount in the preceding paragraph, no less than 20% shall be set aside for the distribution of compensation to non-executive employees. When employee remuneration is distributed in the form of stock or cash, the Board of Directors shall resolve by a resolution of at least two-thirds of the directors present and a majority of the directors present, and report to the shareholders' meeting. Employee remuneration may be distributed in stock or cash, including to employees at affiliated companies that satisfy certain criteria.
3. The average employee benefits expense for the current year is NT\$757 thousand ("Total employee benefit expenses for the current year - Total Directors' remuneration" / "Number of employees for the current year - Number of Directors who do not concurrently serve as employees"). The average employee benefits expense for the previous year is NT\$709 thousand ("Total employee benefit expenses for the previous

year - Total Directors' remuneration" / "Number of employees for the previous year - Number of Directors who do not concurrently serve as employees").

4. The average employee salary expense for the current year is NT\$621 thousand (Total employee salary expenses for the current year / "Number of employees for the current year - Number of Directors who do not concurrently serve as employees"). The average employee salary expense for the previous year was NT\$577 thousand (Total salary expense for the previous year / "Number of employees in the previous year - Number of Directors who do not concurrently serve as employees").
5. Change in average employee salary expense is 7.6% ("Average employee salary expense of the current year - Average employee salary expense of the previous year" / Average employee salary expense of the previous year).
6. The Company has established an Audit Committee consisting of all independent directors, therefore, there is no supervisor.
7. The Company's remuneration policy (including directors, managers and employees):
 - (1) Director: The members of the board of directors evaluate the annual performance of each director in accordance with the "Rules for Performance Evaluation of Directors" and implement the distribution of directors' remuneration from annual earnings.
 - (2) Manager: Based on one's position, professional ability, contribution to the company's operation, and according to the company's payroll management measures, the proposal will be submitted to the board of directors for resolution after deliberation by the remuneration committee.
 - (3) Employee: Evaluate the company's operating conditions, consider factors such as domestic economic growth rate, price index, and industrial salary adjustment, set the annual salary adjustment range according to individual work performance, and conduct annual salary adjustment according to the company's operating conditions. In addition, according to the "payroll management measures", the year-end bonuses and the company's operating bonuses are issued.
8. According to the Articles of Incorporation of the Company, based on the profit as of the current period in 2025, 3% for the employee compensation and 2% for the director remuneration were estimated. Employees' compensation and directors' remuneration of the Company are estimated as follows:

	2025	2024
Employee compensation	2,175	-
Director remuneration	1,450	-
	\$ 3,625	\$ -

The above amounts are recognized in salary expenses. Due to a deficit in 2024, employee compensation and director remuneration are temporarily not estimated.

Information about the Company's employee compensation and director remuneration approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the TWSE.

(XXVII) Income tax

1. Income tax expenses

(1) Components of income tax expense:

	2025	2024
Current income tax:		
Current income tax on profits for the period	\$ 1,495	\$ 9,789
Amount of income tax overestimated for prior years	(349)	(1,007)
Total current income tax	1,146	8,782
Deferred income tax:		
Origination and reversal of temporary differences	10,131	7,301
Income tax expenses	<u>\$ 11,277</u>	<u>\$ 16,083</u>

(2) The income tax amount relating to components of other comprehensive income is as follows:

	2025	2024
Exchange differences on translation of foreign operations	(\$ 3,809)	\$ 16,176
Changes in fair value of financial assets measured at fair value through other comprehensive income	(1,359)	(101)
Remeasurements of defined benefit liabilities	297	791
Income tax expenses	<u>(\$ 4,871)</u>	<u>\$ 16,866</u>

2. The relationship between income tax expense and accounting profit

	2025	2024
Income tax on net profit before tax calculated at the statutory rate	\$ 13,775	(\$ 18,699)
Expenses that shall be excluded according to the tax law	2,964	22,701
Income exempt from tax under the tax law	(18,017)	(311)
Deferred income tax assets and liabilities not recognized under temporary differences	13,001	14,039
Amount of income tax overestimated for prior years	(349)	(1,007)
Effect of difference in applicable tax rate of deferred income tax	(97)	(640)
Income tax expenses	<u>\$ 11,277</u>	<u>\$ 16,083</u>

3. The amounts of each deferred income tax asset or liability arising from temporary differences and tax losses are as follows:

		2025			
		Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Balance - end of period
- Deferred income tax assets:					
Temporary differences:					
Unrealized gross profit on sales	\$	34,868	(\$ 6,175)	\$ -	\$ 28,693
Allowance provision for loss on inventory devaluation and slow-moving inventory		21,033	(5,552)	-	15,481
Sales revenue failing to meet the transaction terms		2,791	(87)	-	2,704
Outstanding pension accrued		6,069	(134)	-	5,935
Adjustment measured at fair value through other comprehensive income		8,131	-	1,359	9,490
Remeasurements of defined benefit liabilities		1,406	- (297)		1,109
Cumulative translation adjustment of long-term equity investments		9,019	-	3,809	12,828
Others		3,362	18,682	-	22,044
Tax losses		-	16,991	-	16,991
Total	\$	<u>86,679</u>	<u>23,725</u>	<u>4,871</u>	<u>115,275</u>
- Deferred income tax liabilities:					
Temporary differences:					
Gains on long-term equity investments	(\$	109,706)	(\$ 34,358)	\$ -	(\$ 144,064)
Others	(	4,534)	502	-	(4,032)
Total	(\$	<u>114,240</u>	<u>33,856</u>	<u>-</u>	<u>(\$ 148,096)</u>
			<u>(\$ 10,131)</u>	<u>\$ 4,871</u>	

		2024			
		Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Balance - end of period
-	Deferred income tax assets:				
	Temporary differences:				
	Unrealized gross profit on sales	\$ 43,017	(\$ 8,149)	\$ -	\$ 34,868
	Allowance provision for loss on inventory devaluation and slow-moving inventory	17,933	3,100	-	21,033
	Sales revenue failing to meet the transaction terms	2,322	469	-	2,791
	Outstanding pension accrued	6,780	(711)	-	6,069
	Adjustment measured at fair value through other comprehensive income	8,030	-	101	8,131
	Remeasurements of defined benefit liabilities	2,197	- (	791)	1,406
	Cumulative translation adjustment of long-term equity investments	25,195	- (	16,176)	9,019
	Others	7,711	(4,349)	-	3,362
	Total	<u>\$ 113,185</u>	<u>(\$ 9,640)</u>	<u>(\$ 16,866)</u>	<u>\$ 86,679</u>
-	Deferred income tax liabilities:				
	Temporary differences:				
	Gains on long-term equity investments	(\$ 114,733)	\$ 5,027	\$ -	(\$ 109,706)
	Others	(1,846)	(2,688)	-	(4,534)
	Total	<u>(\$ 116,579)</u>	<u>\$ 2,339</u>	<u>\$ -</u>	<u>(\$ 114,240)</u>
			<u>(\$ 7,301)</u>	<u>(\$ 16,866)</u>	

4. The validity period of the unused tax losses and the relevant amounts not recognized under deferred income tax assets of the Company are as follows:

December 31, 2025				
<u>Year occurred</u>	<u>Declared number / approved number</u>	<u>Unused amount</u>	<u>Amount not recognized under deferred income tax assets</u>	<u>Final year available</u>
	Expected declared number			
114		\$ 84,958	\$ -	124

5. Deductible temporary differences not recognized as deferred income tax assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary difference	<u>\$ 142,513</u>	<u>\$ 63,827</u>

6. The Company recognizes deferred income tax liabilities only for taxable temporary differences related to investments in one US subsidiary - REGITAR U.S.A INC. The amount of temporary differences in unrecognized deferred income tax liabilities as at December 31, 2025 and 2024 was NT\$377,313 thousand and NT\$363,633 thousand, respectively.
7. The Company's income tax returns through 2023 have been assessed and approved by the tax authority.

(XXVIII) Earnings (Loss) per share

2025			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (NT\$)</u>
<u>Earnings per share</u>			
Current period net profit	<u>\$ 57,597</u>	<u>98,547</u>	<u>\$ 0.58</u>
<u>Diluted Earnings Per Share</u>			
Current period net profit	\$ 57,597	98,547	
Effect of dilutive potential ordinary shares			
Employee compensation	<u>-</u>	<u>67</u>	
Effect of net profit for the period plus potential ordinary shares	<u>\$ 57,597</u>	<u>98,614</u>	<u>\$ 0.58</u>
2024			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic and diluted loss per share</u>			
Net loss of this period	<u>(\$ 109,586)</u>	<u>98,547</u>	<u>(\$ 1.11)</u>

1. When calculating earnings per share, it is assumed that employee compensation will be distributed in full during the current period through share issuance, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a diluting effect.
2. The convertible corporate bonds issued in 2025 and 2024 have an anti-dilution effect, so the diluted loss per share are not calculated.

(XXIX) Supplemental cash flow information

Investing activities with partial cash payments:

	2025	2024
Acquisition of property, plant and equipment	\$ 15,142	\$ 13,225
Plus: Opening balance of payable on equipment	418	329
Less: Ending balance of payable on equipment	(649)	(418)
Plus: Ending balance of advance payments for equipment	14	-
Cash paid during the period	<u>\$ 14,925</u>	<u>\$ 13,136</u>

(XXX) Changes in liabilities from financing activities

	Short-term borrowings	Convertible bonds (including current portion)	Long-term borrowings (including current portion)	Short-term notes and bills payable	Lease liabilities	Total liabilities from financing activities
January 1, 2025	\$ 1,023,000	\$ 999,384	\$ 1,212,788	\$ 79,943	\$ 101,951	\$ 3,417,066
Changes in financing cash flow	(30,000)	(1,000,000)	892,170	77,694	(4,086)	(64,222)
Amortization of corporate bond discounts	-	616	-	-	-	616
Changes in other non-cash assets	-	-	8,323	2,245	-	10,568
December 31, 2025	<u>\$ 993,000</u>	<u>\$ -</u>	<u>\$ 2,113,281</u>	<u>\$ 159,882</u>	<u>\$ 97,865</u>	<u>\$ 3,364,028</u>

	Short-term borrowings	Convertible bonds (including current portion)	Long-term borrowings (including current portion)	Short-term notes and bills payable	Lease liabilities	Total liabilities from financing activities
January 1, 2024	\$ 340,000	\$ 988,498	\$ 1,355,693	\$ -	\$ 105,905	\$ 2,790,096
Changes in financing cash flow	683,000	-	(144,841)	78,403	(4,062)	612,500
Amortization of corporate bond discounts	-	10,886	-	-	-	10,886
Changes in other non-cash assets	-	-	1,936	1,540	108	3,584
December 31, 2024	<u>\$ 1,023,000</u>	<u>\$ 999,384</u>	<u>\$ 1,212,788</u>	<u>\$ 79,943</u>	<u>\$ 101,951</u>	<u>\$ 3,417,066</u>

VII. Related-Party Transactions

(I) The name of the related party and the relationship with the Company

<u>Name of related party</u>	<u>Relationship with the Company</u>
REGITAR U.S.A. INC.(REGITAR U.S.A.)	A subsidiary of the Company
MOBILETRON U.K. LIMITED (MOBILETRON U.K.)	A subsidiary of the Company
STONEWALL VENTURES INC.(STONEWALL)	A subsidiary of the Company
Durofix Co., Ltd. (“Durofix”)	A subsidiary of the Company
RAC Electric Vehicles Inc. (RAC)	A subsidiary of the Company
Moving EV Service Company Ltd. (Nanhua Electric Vehicle)	A subsidiary of the Company
DUROFIX, INC.(DUROFIX)	The Company's sub-subsubsidiary
Mobiletron Electronics (Hong Kong) Co., Ltd.	The Company's sub-subsubsidiary
Mobiletron Electronics (Ningbo) Co., Ltd. (“Mobiletron Ningbo”)	The Company's sub-subsubsidiary
Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd. (“Mobiletron Commerce and Trade”)	The Company's sub-subsubsidiary
Yuyao Che Lian Wang Commerce and Trade Co., Ltd. (“Che Lian Wang”)	The Company's sub-subsubsidiary
MaxWin Technology Co., LTD. (“MaxWin Technology”)	The Company's sub-subsubsidiary (Note)
Blade Hydrogen Green Technology Co., Ltd. (“Blade Hydrogen”)	Associates of the Company
H2 Energy Co., Ltd. (“H2 Energy”)	Associates of the Company
Tsai, Nancy	CFO of the Company
Note: MaxWin Technology Co., LTD. (“MaxWin Technology”) was dissolved after merging with RAC on September 12, 2024.	

(II) Major transactions with related parties

1. Operating revenues

	<u>2025</u>	<u>2024</u>
RAC	\$ 222,224	\$ 158,443
REGITAR U.S.A.	202,410	168,651
DUROFIX	147,560	113,154
MOBILETRON U.K.	126,108	165,368
Others	-	760
	<u>\$ 698,302</u>	<u>\$ 606,376</u>

- (1) The products sold overseas by the Company are mainly sold by REGITAR U.S.A., DUROFIX and MOBILETRON U.K. as agents. It is difficult to compare the selling price conditions of the same products with non-related parties. The payment terms are that the payment shall be collected within 180 days after shipment, except for REGITAR U.S.A., where it shall be collected within 30~60 days after shipment.

- (2) The price at which the Company sells to domestic related parties is based on the normal sales price, and the collection period is within 120 days after the monthly settlement.
- (3) The Company's collection period for general customers is 30 to 90 days after the monthly settlement.

2. Material supplying outsourced processing transaction

2025				
Material costs for material supplying outsourced processing				
	Beginning outstanding amount	New costs for material supplying in this period	Ending outstanding amount	Purchase amount of the current period
Mobiletron Ningbo	\$ 67,792	\$ 182,407	\$ 58,528	\$ 298,241

2024				
Material costs for material supplying outsourced processing				
	Beginning outstanding amount	New costs for material supplying in this period	Ending outstanding amount	Purchase amount of the current period
Mobiletron Ningbo	\$ 70,540	\$ 213,693	\$ 67,792	\$ 317,332

The above products are outsourced and processed by Mobiletron Ningbo with materials supplied by the Company. After the processing is completed, they will be sold in the name of the Company. Sub-subsidiaries add about 12% to 18% to the average processing cost in the first six months of input as the processing fee revenue. The payment method for the above-mentioned processing costs is within 180 days after the monthly settlement; and the general vendor payment terms are within 90 days of the monthly settlement.

3. Procurements

	2025	2024
Mobiletron Commerce and Trade	\$ 141,824	\$ 97,647
Che Lian Wang	57,209	44,353
Others	1,362	924
	<u>\$ 200,395</u>	<u>\$ 142,924</u>

The purchase price paid by the Company to the sub-subsidiary is calculated by adding 3% to 10% to the purchase cost based on the product type; The payment shall be made within 30 to 60 days after the import of the goods and within 30 days after the monthly settlement, according to the reimbursement method of China's import receipt and payment of foreign exchange; and the general vendor payment terms are within 90 days of the monthly settlement.

4. Accounts receivable

	December 31, 2025	December 31, 2024
RAC	\$ 126,839	\$ 67,369
DUROFIX	109,935	120,516
MOBILETRON U.K.	68,104	84,280
REGITAR U.S.A.	64,125	50,611
Others	83	8
	<u>\$ 369,086</u>	<u>\$ 322,784</u>

5. Lease Transactions - Lessee

(1) The Company leases the building from Tsai, Nancy for the period from 2023 to 2033. The pricing strategy for rent is negotiated by both parties considering nearby rental market conditions. The rent is paid at the end of each month.

(2) Lease liabilities

A. Balance - end of period

	December 31, 2025	December 31, 2024
Tsai, Nancy	<u>\$ 3,559</u>	<u>\$ 3,985</u>

B. Interest expenses

	2025	2024
Tsai, Nancy	<u>\$ 53</u>	<u>\$ 59</u>

6. Other receivables

Loans to related parties

Details of transferred overdue accounts receivable (shown as other receivables - related parties)

	December 31, 2025		
	Balance - end of period	Interest rate	Ending interests receivable
DUROFIX	<u>\$ 178,152</u>	3.50%	<u>\$ -</u>

	December 31, 2024		
	Balance - end of period	Interest rate	Ending interests receivable
DUROFIX	<u>\$ 131,006</u>	3.50%	<u>\$ -</u>

7. Accounts payable

	December 31, 2025	December 31, 2024
Mobiletron Ningbo	\$ 133,857	\$ 183,084
Mobiletron Commerce and Trade	30,097	15,089
Others	326	807
	<u>\$ 164,280</u>	<u>\$ 206,883</u>

8. Other payables

(1) Financing payable

December 31, 2025						
	Highest balance		Balance - end of period	Interest rate	Interest expenses of the current period	Accrued Interests
	Date of occurrence	Amount				
Durofix	March, 2024	\$ 20,000	\$ -	0.5%	\$ 9	\$ -

December 31, 2024						
	Highest balance		Balance - end of period	Interest rate	Interest expenses of the current period	Accrued Interests
	Date of occurrence	Amount				
Durofix	March, 2024	\$ 20,000	\$ 20,000	0.5%	\$ 100	\$ 75

(2) Other payables

	December 31, 2025	December 31, 2024
Others	\$ -	\$ 32

Other payables mainly represent the testing materials paid by the Company for the research and development expenses of RAC.

9. Property transactions

Securities acquired

December 31, 2025: None.

				2024
	Recognized under	Number of shares traded (thousand shares)	Object of transaction	Price paid
RAC	Investments recognized under the equity method	18,517	Stock	\$ 666,603
Others	Investments recognized under the equity method	6,595	Stock	35,976
Total				\$ 702,579

10. Endorsements and guarantees

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Amount of guarantee</u>	<u>Utilized amount</u>	<u>Amount of guarantee</u>	<u>Utilized amount</u>
DUROFIX	\$ 62,860	\$ 15,715	\$ 65,570	\$ 65,570
RAC	1,459,000	815,463	1,411,785	520,995
	<u>\$ 1,521,860</u>	<u>\$ 831,178</u>	<u>\$ 1,477,355</u>	<u>\$ 586,565</u>

- (1) According to the syndicated loan agreement signed between the Company's subsidiary, RAC, and Hua Nan Commercial Bank, the Company shall maintain the agreed financial ratios (e.g. current ratio, net debt to tangible asset ratio, interest coverage ratio, etc.) so as to be tested annually on a consolidated basis. The Company's financial report for the first half of 2024 does not meet the aforementioned gearing ratio. RAC has obtained a letter of exemption from reviewing the financial ratios of the borrower and joint guarantor for the first half of 2024 issued by a group of joint credit-granting banks such as Hua Nan Commercial Bank.
- (2) The Company did not meet the aforementioned interest coverage ratio in the 2024 Financial Report and failed to complete the required improvement prior to the issuance of the subsequent semi-annual financial statements (hereinafter referred to as the "Improvement Period"). Accordingly, additional interest has been paid by RAC based on the outstanding balance of each sub-credit line at that time and in accordance with the applicable interest agreed upon.
- (3) For the first half of 2025, the Company did not meet the aforementioned interest coverage ratio and net debt ratio. RAC has obtained a letter of exemption from reviewing the financial ratios of the borrower and joint guarantor for the first half of 2025 issued by a group of joint credit-granting banks such as Hua Nan Commercial Bank.
- (4) For the year 2025, the Company did not meet the aforementioned net debt ratio and is currently within the Improvement Period. If the improvement can be completed within the Improvement Period (calculated based on the financial report certified or reviewed by an accountant), it will not be considered a breach of this clause.

11. Guarantee Deposits and Margins Received

	December 31, 2025	December 31, 2024
RAC	\$ 5,489	\$ 5,489

On November 1, 2021, the Company leased the Chungkang plant to RAC, and charged a security deposit, which was recognized in guarantee deposits received.

12. Operating expenses

	2025	2024
RAC	\$ 5,480	\$ 944
Others	-	160
	\$ 5,480	\$ 1,104

The transactions with RAC mainly relate to research material costs.

13. Other income

	2025	2024
RAC	\$ 39,751	\$ 44,360
Others	8	-
	\$ 39,759	\$ 44,360

The rental income and related system maintenance and operation income received by the Company from leasing the Chungkang plant to RAC were recognized in other income.

14. Information about remunerations to the major management

	2025	2024
Short-term employee benefits	\$ 16,005	\$ 16,052
Post-employment benefits	172	261
	<u>\$ 16,177</u>	<u>\$ 16,313</u>

VIII. Pledged Assets

The details of the guarantees provided by the Company's assets are as follows:

Assets	Guaranteed use	December 31, 2025	December 31, 2024
Land	Long-term loan guarantee	\$ 283,717	\$ 283,717
Buildings and Structures	Long-term and short-term loan guarantees	943,034	198,620
Investment properties	Short-term loan guarantee	412,609	-
Financial assets at amortized cost - current	Short-term loan guarantee	15,000	-
Refundable deposits (shown as "other non-current assets") (Recognized in "other non-current assets")	Rental security deposits	3,058	3,001
		<u>\$ 1,657,418</u>	<u>\$ 485,338</u>

In addition to the guarantee for the above-mentioned assets, the Company also uses a bank credit line of NT\$0 thousand and NT\$11,880 thousand as the guarantee deposit for the subsidy plan in 2025 and 2024.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingencies

1. Endorsements and guarantees - please refer to the related party guarantee matters in Note VII.
2. On August 14, 2020, RAC, a subsidiary of the Company, signed a "Purchase Contract for Eight Electric Low-floor Large Buses" with Tamshui Bus Company, Ltd. (hereinafter referred to as "Tamsui Bus"). On October 23, 2022, when Tamsui Bus completed charging and started the vehicle, a fire broke out, affecting the operation of Tamsui Bus and vehicles delivered to Zhinan Bus Company, Ltd. in the same batch. Tamsui Bus and Zhinan Bus Company, Ltd. have received the second payment of subsidies; however, as liability has not yet been clarified, the related amounts have been recorded as accounts receivable of NT\$9,721 thousand, and contract assets - non-current of NT\$39,885 thousand, respectively.

As a result of this fire accident, Tamsui Bus filed a claim for damages against RAC and the Company. Through the vehicle operation backend, we found that the insulation resistance error alarm code was forcibly unlocked three days before the accident, and the driver violated the manual regulations by not reporting the problem according to the

standard operating procedures and canceling the error alarm without the permission of the original manufacturer technicians. The responsibility for the accident is still to be clarified.

Tamsui Bus requested compensation for damages. As of Tuesday, March 10, 2026, the case was still under review by the district court.

(II) Commitments

1. The products' sales and development authorization contracts signed by the Company are as follows:

<u>Company</u>	<u>Pricing method for payment of premium</u>	<u>Contract period</u>
General Motors	Calculated at 4% of the net sales amount of a specific product.	The premium contract was valid from January 1, 2025 to December 31, 2027.

2. Capital expenditures contracted for but not yet incurred:

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	\$ 4,036	\$ 4,243

3. Secured promissory notes issued by the Company for bank borrowings are as follows:

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank borrowings	\$ 3,347,405	\$ 2,112,148

X. Significant Disaster Loss

N/A.

XI. Subsequent Events

N/A.

XII. Others

(I) Capital management

For the Company's capital management, based on the industry scale of the Company's business, while taking into account the future growth of the industry and product development, the appropriate market share is set and the corresponding capital expenditure is planned accordingly; then calculating the required working capital according to the financial operation plan, and finally, considering the operating profit and cash flow generated by the competitiveness of the product, the appropriate capital structure is then determined.

(II) Financial instruments

1. Classification of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss	\$ 379,538	\$ 63,737
Financial assets at fair value through other comprehensive income	\$ 121,537	\$ 113,751
Financial assets at amortized cost		
Cash and cash equivalents	\$ 161,419	\$ 642,693
Financial assets at amortized cost	15,000	-
Notes receivable	3,135	3,865
Accounts receivable	103,791	117,794
Net accounts receivable - related parties	369,086	322,784
Other receivables	5,314	3,777
Other receivables - related parties, net	178,152	131,006
Guarantee deposits paid	3,058	3,001
Financial assets for hedging	\$ 838,955	\$ 1,224,920
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 993,000	\$ 1,023,000
Short-term notes and bills payable	159,882	79,943
Notes payable	3,226	3,457
Accounts payable	109,049	104,949
Accounts payable - related parties	164,280	206,883
Other accounts payable	90,160	78,051
Other accounts payable - related parties	-	20,107
Bonds payable (due within one year or one operating cycle)	-	999,384
Long-term borrowings (due within one year or one operating cycle)	2,113,281	1,212,788
Guarantee Deposits and Margins Received	5,489	5,489
	\$ 3,638,367	\$ 3,734,051
Lease liabilities	\$ 97,865	\$ 101,951

2. Risk management policies

- (1) The Company's daily operations are affected by a number of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk. The Company's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the risk that potentially pose adverse effects on the Company's financial position and financial performance.

- (2) Through close cooperation with the Company's operating units, the Company's finance department is responsible for identifying, evaluating and hedging financial risks, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess working capital.
3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- ① The Company operates internationally, so it is subject to exchange rate risks arising from transactions that involve functional currencies different from that of the Company and its subsidiaries, mainly US dollar, Euro, Pound and Renminbi. The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ② The management of the Company has set up policies requiring companies in the Company to manage the exchange rate risks relative to their functional currencies. Companies shall hedge their overall exchange rate risk through the Company's finance department. Exchange rate risk arises when future commercial transactions, recognized assets or liabilities are denominated in foreign currencies that are not the entity's functional currency.
- ③ The Company holds investments in certain foreign operations, and its net assets are subject to foreign currency translation risk. The exchange rate risk arising from the net assets of the Company's foreign operations is mainly managed through borrowings denominated in relevant foreign currencies.
- ④ The business of the Company involves certain non-functional currencies (the Company's functional currency is NTD), so it is affected by exchange rate fluctuations. Information on assets and liabilities denominated in foreign currencies which are materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency (NT\$ thousand)	Exchange rate	Carrying amount (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 14,695	31.43	\$ 461,864
Euro: NTD	2,719	36.90	100,331
JPY: NTD	50,904	0.20	10,181
RMB: NTD	25,515	4.50	114,818
<u>Non-monetary items</u>			
USD: NTD	\$ 24,069	31.43	\$ 756,479
RMB: NTD	159,671	4.50	718,521
JPY: NTD	395,440	0.20	79,088
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	(\$ 391)	31.43	(\$ 12,289)
RMB: NTD	(45,805)	4.50	(206,123)
<u>Non-monetary items</u>			
GBP: NTD	(2,004)	42.33	(84,825)

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency (NT\$ thousand)	Exchange rate	Carrying amount (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 21,620	32.79	\$ 708,920
Euro: NTD	10,975	34.14	374,687
RMB: NTD	23,947	4.48	107,283
<u>Non-monetary items</u>			
USD: NTD	\$ 22,976	32.79	\$ 753,397
RMB: NTD	141,583	4.48	634,293
JPY: NTD	408,467	0.21	85,778
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	(\$ 642)	32.79	(\$ 21,051)
RMB: NTD	(44,315)	4.48	(198,531)
<u>Non-monetary items</u>			
GBP: NTD	(\$ 833)	41.19	(\$ 34,292)

- ⑤ The Company's foreign currency market risk due to significant exchange rate fluctuations is analyzed as follows:

(Foreign currency: functional currency)	2025		
	Sensitivity analysis		
	Extent of variation	Affected profit or loss	Affected other comprehensive income
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	3%	\$ 13,856	\$ -
Euro: NTD	3%	3,010	-
JPY: NTD	3%	305	-
RMB: NTD	3%	3,445	-
<u>Non-monetary items</u>			
USD: NTD	N/A		
RMB: NTD	N/A		
JPY: NTD	N/A		
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	3%	(\$ 369)	\$ -
RMB: NTD	3%	(6,184)	-
<u>Non-monetary items</u>			
GBP: NTD	N/A		

(Foreign currency: functional currency)	2024		
	Sensitivity analysis		
	Extent of variation	Affected profit or loss	Affected other comprehensive income
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD: NTD	3%	\$ 21,268	\$ -
Euro: NTD	3%	11,241	-
RMB: NTD	3%	3,218	-
<u>Non-monetary items</u>			
USD: NTD	N/A		
RMB: NTD	N/A		
JPY: NTD	N/A		
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	3%	(\$ 632)	\$ -
RMB: NTD	3%	(5,956)	-
<u>Non-monetary items</u>			
GBP: NTD	N/A		

- ⑥ For the total foreign exchange gain/loss, including realized and unrealized, arising from significant foreign exchange fluctuations on the monetary items recognized by the Company in 2025 and 2024, due to the wide variety of foreign currencies, amounted to a loss of NT\$8,374 thousand and a profit of NT\$42,242 thousand, respectively.

Price risk

The investments held by the Company are classified as financial assets at fair value through income and financial assets at fair value through other comprehensive income on the Parent Company Only Balance Sheet. To manage the price risk of equity instrument investments, the Company diversifies its investment portfolio to manage this risk.

The Company primarily invests in domestic and foreign publicly traded equity instruments and open-end funds, and the price of these equity instruments will be affected by the uncertainty of the future value of the investment. If such equity instruments' price rise or fall by 5%, with all other factors held unchanged, the net profit before tax for 2025 and 2024 would have decreased by NT\$3,884 thousand and NT\$3,187 thousand respectively due to the gain or loss from equity instruments at fair value through profit or loss; and there would be an increase or a decrease of NT\$6,077 thousand and NT\$5,688 thousand, respectively, in other comprehensive income due to gain or loss of those classified as financial assets at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- ① The Company's interest rate risk arises from short-term and long-term borrowings. For short-term borrowings, borrowings issued at floating rates expose the Company to cash flow interest rate risk. For long-term borrowings, borrowings issued at fixed rates expose the Company to fair value interest rate

risk. For 2025 and 2024, the Company's borrowings at floating rates were denominated in NTD.

- ② If interest rates on borrowings and notes were to increase or decrease by 0.1%, with all other factors held constant, net income after taxes would increase or decrease by NT\$2,622 thousand and NT\$1,869 thousand for the years 2025 and 2024, respectively.
- ③ If interest rates on debt instruments were to increase or decrease by 0.1%, with all other factors held constant, net income after taxes would decrease or increase by NT\$241 thousand and NT\$0 thousand for the years 2025 and 2024, respectively, mainly due to changes in the fair value of fixed-rate bond investments classified as financial assets at fair value through profit or loss resulting from fluctuations in market interest rates.

(2) Credit risk

- ① Credit risk of the Company refers to the risk of financial loss to the Company arising from default by the clients or counterparties of the financial instruments; mainly due to the inability of the counterparties to settle the accounts and notes receivable in accordance with the collection terms, as well as to meet contractual cash flows from financial assets at amortized cost and debt instruments at fair value through profit or loss.
- ② The Company establishes credit risk management from a corporate perspective. According to the credit loan quality of the financial institution, the credit of the deposit will be checked, and only after the bank is assessed to have high credit quality can it be accepted as a transaction counterparty. According to the Company's credit policy, operating units in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.
- ③ The Company adopts credit risk management procedures as the basis for judging whether the credit risk of financial instruments has increased significantly since the initial recognition. When the contract payment is overdue for more than 90 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition, and individual recognition shall be adopted.
- ④ The following indicators are used by the Company to determine whether the credit impairment of debt instruments has occurred:
 - a. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - b. The issuer's financial difficulties cause the active market for such financial asset to disappear;
 - c. Default or delinquency in interest or principal repayments;
 - d. Adverse changes in national or regional economic conditions that are expected to cause a default.
- ⑤ According to the accounting policies of the Company, when the contract

payment is overdue for more than 365 days according to the agreed payment terms, it is deemed a default.

- ⑥ The Company groups the receivables from customers according to the characteristics of customer ratings, and uses the simplified method to estimate the expected credit losses based on the loss rate method.
- ⑦ After the Company has gone through the process of recourse, it will write off any amount of financial assets for which recovery is not reasonably expected. However, the Company will continue to pursue the legal proceeding of recourse to protect its rights to claim debts.
- ⑧ The Company assesses the loss allowance for receivables based on loss rates established using historical and current information over a specific period, as well as forward-looking considerations for the future. Receivables for which there is objective evidence that they cannot be recovered are individually assessed, and impairment losses are recognized accordingly. As of December 31, 2025 and December 31, 2024, after the receivables were assessed on the basis of expected losses, the accumulated loss allowance amount was NT\$354 thousand and NT\$354 thousand, respectively. The provision matrix for December 31, 2025 and 2024 is as follows:

December 31, 2025	Expected loss rate	Total book value	Loss provisions
Not past due	0.01%	\$ 85,961	\$ -
Within 30 days past due	0.04%	8,495	-
31 to 90 days past due	0.17%~0.33%	8,334	-
91 to 180 days past due	0.99%~2.98%	4,136	-
181 days past due	100.00%	354	354
Total		<u>\$ 107,280</u>	<u>\$ 354</u>

December 31, 2024	Expected loss rate	Total book value	Loss provisions
Not past due	0.00%	\$ 100,788	\$ -
Within 30 days past due	0.00%	16,120	-
31 to 90 days past due	0.00%	4,645	-
91 to 180 days past due	0.00%	106	-
181 days past due	100.00%	354	354
Total		<u>\$ 122,013</u>	<u>\$ 354</u>

- ⑨ The changes in loss allowance for notes receivable and accounts receivable that the Company adopts simplified method for are as follows:

	2025	2024
	Accounts receivable for bad debts	Accounts receivable for bad debts
January 1 (December 31)	<u>\$ 354</u>	<u>\$ 354</u>

(3) Liquidity risk

- ① Cash flow forecasting is performed by each operating unit of the Company and aggregated by the Company's finance department. The Company's finance department monitors the forecast of the Company's liquidity requirements to

ensure that it has sufficient funds to meet the operational needs. These forecasts take into account the Company's debt financing plans, compliance with debt terms, and meeting of the internal balance sheet financial ratio targets.

- ② The remaining cash held by each operating unit will be transferred back to the finance department of the Company when it exceeds the management needs of working capital. The finance department of the Company invests the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and securities. The instruments chosen by it have an appropriate maturity date or sufficient liquidity to meet the above forecasts and provide sufficient capital movement.
- ③ The details of the Company's unused loan amount are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating rate		
Due within 1 year	\$ 287,000	\$ 902,000
Due more than 1 year	500,000	463,000
	<u>\$ 787,000</u>	<u>\$ 1,365,000</u>

- ④ The following table shows the Company's non-derivative financial liabilities, which are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2025</u>	<u>0-180 days</u>	<u>181-365 days</u>	<u>1-2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Short-term borrowings	\$ 953,582	\$ 43,204	\$ -	\$ -	\$ 996,786
Short-term notes and bills payable	160,000	-	-	-	160,000
Notes payable	3,226	-	-	-	3,226
Accounts payable	109,049	-	-	-	109,049
Accounts payable - related parties	164,280	-	-	-	164,280
Other payables	90,160	-	-	-	90,160
Lease liabilities	2,633	2,633	5,266	107,079	117,611
Long-term borrowings (due within one year or one operating cycle)	361,626	156,337	265,460	1,503,498	2,286,921
Guarantee Deposits and Margins Received	-	-	-	5,489	5,489
Total	<u>\$ 1,844,556</u>	<u>\$ 202,174</u>	<u>\$ 270,726</u>	<u>\$ 1,616,066</u>	<u>\$ 3,933,522</u>

Non-derivative financial liabilities:

December 31, 2024	0-180 days	181-365 days	1-2 years	More than 2 years	Total
Short-term borrowings	\$ 984,846	\$ 43,206	\$ -	\$ -	\$ 1,028,052
Short-term notes and bills payable	80,000	-	-	-	80,000
Notes payable	3,457	-	-	-	3,457
Accounts payable	104,949	-	-	-	104,949
Accounts payable - related parties	206,883	-	-	-	206,883
Other payables	78,051	-	-	-	78,051
Other payables - related parties	20,107	-	-	-	20,107
Lease liabilities	2,633	2,633	5,266	112,345	122,877
Bonds payable (due within one year or one operating cycle)	1,000,000	-	-	-	1,000,000
Long-term borrowings (due within one year or one operating cycle)	141,055	144,471	285,356	684,088	1,254,970
Guarantee Deposits and Margins Received	-	-	-	5,489	5,489
Total	<u>\$ 2,621,981</u>	<u>\$ 190,310</u>	<u>\$ 290,622</u>	<u>\$ 801,922</u>	<u>\$ 3,904,835</u>

(III) Fair value information

- The different levels of inputs used in the valuation techniques for measuring the fair value of financial and non-financial instruments have been defined as follows:
 - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed/OTC-traded stocks and emerging stocks is included in Level 1.
 - Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the convertible corporate bonds issued by the Company is included in Level 2.
 - Level 3: Unobservable inputs for the asset or liability. The Company's investment in equity instruments without active market, convertible corporate bonds, investment properties, and redemption right of convertible corporate bonds issued are included in Level 3.
- Please refer to Note VI(X) for information on the fair value of investment properties measured at cost.
- Financial instruments not measured at fair value
 - (1) Except for those listed in the table below, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, other

receivables, short-term loans, short-term notes and bills payable, notes and accounts payable, other payables and long-term loans) approximate to their fair values:

December 31, 2025: None.

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 999,384	\$ -	\$ 999,400	\$ -

(2) The methods and assumptions of fair value estimation are as follows:

Convertible bonds payable:

Regarding the convertible bonds issued by the Company, the coupon rate approximates to the current market interest rate. Therefore, its fair value is estimated using the discounted value of its expected cash flows.

4. The Company categorizes financial and non-financial instruments measured at fair value on the basis of the nature, characteristics, risks, and fair value level of the assets and liabilities. The relevant information is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity fund	\$ 42,638	\$ -	\$ -	\$ 42,638
- Listed stocks	6,104	-	-	6,104
- Convertible bonds	-	-	301,852	301,852
- Unlisted stocks	-	-	28,944	28,944
Financial assets at fair value through other comprehensive income				
- Emerging market stocks	6,306	-	-	6,306
- Unlisted stocks	-	-	115,231	115,231
Total	\$ 55,048	\$ -	\$ 446,027	\$ 501,075

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity fund	\$ 28,541	\$ -	\$ -	\$ 28,541
- Listed stocks	5,557	-	-	5,557
- Unlisted stocks	-	-	29,639	29,639
Financial assets at fair value through other comprehensive income				
- Emerging market stocks	10,282	-	-	10,282
- Unlisted stocks	-	-	103,469	103,469
Total	\$ 44,380	\$ -	\$ 133,108	\$ 177,488

5. The methods and assumptions of fair value measurement used by the Company are as follows:

- (1) The Company adopts market quoted prices as their fair values (i.e., Level 1), which are listed below by the characteristics of the instruments:

	TWSE/TPEX listed stocks	Emerging market stocks	Open-end fund
	Closing price	Average transaction price	Net asset value
Market quoted price			

- (2) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be obtained by reference to the current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including fair value calculated by applying model using market information available at the date of the Parent Company Only Balance Sheet.
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt investments with no active markets, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For financial instruments with relatively high complexity, the Company measures the fair value with the self-developed valuation models based on the valuation methods and techniques widely used in the industry. Such valuation models are usually used for derivative financial instruments, debt instruments with embedded derivatives, or securitized products. Some inputs used in such valuation models are not information normally observable in the market, so the Company must make appropriate estimates based on assumptions.
- (5) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present discounted value techniques and option pricing models.
- (6) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, such as model risk or liquidity risk, etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably present the fair value of financial and non-financial instruments at the Parent Company Only Balance Sheet. The pricing information and inputs used during valuation are carefully assessed and adjusted based on current market conditions.
- (7) The Company takes into account credit risk valuation adjustment when measuring the fair value of financial and non-financial instruments to reflect the counterparty credit risk and the Company's credit quality.
6. For 2025 and 2024, there was no transfer between Level 1 and Level 2.

7. The following chart is the movement of Level 3 in 2025 and 2024:

	2025	2024
	Equity instruments	Equity instruments
January 1	\$ 133,108	\$ 129,419
Losses recognized in profit or loss	(13,333)	(1,715)
Recognized under unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	11,762	5,404
Inward transfer in this period	314,490	-
December 31	<u>\$ 446,027</u>	<u>\$ 133,108</u>

8. The finance department is in charge of valuation procedures for fair value measurements being categorized within Level 3, that the resource of financial information is independent, reliable and in line with other resources and representative of the exercisable price, while frequently calibrates valuation model, performs back-testing, and updates inputs and data used in the valuation model.
9. The following is the quantitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	December 31, 2025 Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative financial instruments:					
Unlisted stocks	\$ 36,143	Comparable to TWSE/TPEX listed stocks	Price-to-book ratio	1.09~2.54	The higher the multiplier, the higher the fair value
			Liquidity risk discount	25%~40%	The higher the liquidity discount, the lower the fair value
	28,944	Net asset value method	N/A	-	N/A
	79,088	Weighted average of the price-to- book ratio method and the market approach	Book value per share	\$ 2,985.07	The higher the book value per share, the higher the fair value
			Peer price-to-book ratio	4.05	The higher the peer price-to-book ratio, the higher the fair value
			Liquidity discount	28.34%	The higher the liquidity discount, the lower the fair value
Convertible bonds	301,852	Discounted cash flow method	Discount rate	11.82%~11.93%	The higher the discount rate, the lower the fair value
		Black-Scholes model	Volatility	41.25%	The higher the volatility, the higher the fair value

	December 31, 2024 Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative financial instruments:					
Unlisted stocks	\$ 17,691	Comparable to TWSE/TPEX listed stocks	Price-to-book ratio	1.48~2.81	The higher the multiplier, the higher the fair value
			Liquidity risk discount	25%~40%	
	29,639	Net asset value method	N/A	-	N/A
	85,778	Income-based method	Cost ratio of equity capital	13.63%~14.63%	The higher the cost ratio of equity capital, the lower the fair value
Redemption right of convertible bonds		- Binomial tree model	Stock price volatility	29.11%	The higher the volatility, the higher the fair value

10. The Company has carefully assessed the valuation models and inputs used to measure fair value. However, use of different valuation models or inputs may result in different measurement. The following is the effect on profit or loss or other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used in the valuation models have changed:

December 31, 2025						
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial Assets						
Equity instruments	Cost of equity	± 5%	\$ -	\$ -	\$ 3,954	(\$ 3,954)
Equity instruments	Price-to-book ratio	± 5%	-	-	1,807	(1,807)
Hybrid instruments						
Convertible bonds	Stock price volatility	± 5%	1,206	(1,173)	-	-
			<u>\$ 1,206</u>	<u>(\$ 1,173)</u>	<u>\$ 5,761</u>	<u>(\$ 5,761)</u>
December 31, 2024						
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial Assets						
Equity instruments	Cost of equity	± 5%	\$ -	\$ -	\$ 4,289	(\$ 4,289)
Equity instruments	Price-to-book ratio	± 5%	-	-	885	(885)
Redemption right of convertible bonds	Stock price volatility	± 5%	-	-	-	-
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,174</u>	<u>(\$ 5,174)</u>

XIII. Supplementary Disclosures

(I) Significant transactions information

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Significant securities held at end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
5. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
6. Business relationships and significant intercompany transactions between parent and subsidiaries (only transactions of NT\$10 million or more are disclosed): Please refer to Table 6.

(II) Information on investees

Names, locations and other information of the invested companies (excluding investees in China): Please refer to Table 7.

(III) Information on investments in Mainland China

1. Basic information: Please refer to Table 8.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 9.

XIV. Segment Information

Not applicable.

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Mobiletron Electronics Co., Ltd.
Statement of cash and cash equivalents
December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amount
Cash on hand		\$ 328
Cash in banks		
Demand deposits		95,117
Foreign currency deposit	JPY\$43,298 thousand, the exchange rate is NT\$0.2008:JPY\$1 EUR\$855 thousand, the exchange rate is NT\$36.90:EUR\$1 USD\$816 thousand, the exchange rate is NT\$31.43:USD\$1 CNY\$22 thousand, the exchange rate is NT\$4.496:CNY\$1 GBP\$0.22 thousand, the exchange rate is NT\$42.33:GBP\$1	65,974
		<u>\$ 161,419</u>

Mobiletron Electronics Co., Ltd.
Statement of financial assets at fair value through profit or loss
December 31, 2025

Unit: NT\$ thousand

Name of financial instruments	Summary	Quantity	Par value	Total amount	Interest rate	Fair value		Remark
						Unit price	Total amount	

For relevant information on “financial assets at fair value through profit or loss”, please
refer to Table 3 for details.

Mobiletron Electronics Co., Ltd.
Statement of net accounts receivable
December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amount	Remark
Customer A		\$ 39,560	
Customer B		12,285	
Customer C		6,882	
Customer D		6,023	
Customer E		5,901	
Others		33,494	The balance of each minor customer does not exceed 5% of the balance of this account
		104,145	
Less: Loss provisions	(	354)	
		<u>\$ 103,791</u>	

Mobiletron Electronics Co., Ltd.
Statement of Inventories
December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amount		Market price determination method
		Costs	Market price	
Raw materials		\$ 326,472	\$ 324,641	Net realizable value
Work in process		25,150	25,638	Net realizable value
Finished goods		172,708	184,085	Net realizable value
Commodities		31,310	31,681	Net realizable value
		<u>555,640</u>	<u>\$ 566,045</u>	
Less: Provision for loss on inventory devaluation	(	<u>77,404</u>)		
		<u>\$ 478,236</u>		

Mobiletron Electronics Co., Ltd.
Statement of long-term equity investments using the equity method
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

Name	Opening balance		Increase		Decrease		Balance - end of period		Market price or net stock price value		Guarantee or Pledge
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Unit price (NT\$)	Total	
STONEWALL VENTURES INC.	22,952	\$ 633,862	-	\$ 84,284	-	\$ -	22,952	\$ 718,146	31,289.04	\$ 718,146	None
REGITAR U.S.A. INC.	100,000	822,230	-	-	-	(20,194)	100,000	802,036	8,020.36	802,036	None
MOBILETRON U.K. LTD.	3,400,000	67,148	-	-	-	(69,444)	3,400,000	(2,296)	(0.68)	(2,296)	None
Durofix Co., Ltd.	5,000,000	50,772	-	-	(4,900,000)	(49,461)	100,000	1,311	13.11	1,311	None
RAC Electric Vehicles Inc.	73,650,922	850,814	-	88,145	-	-	73,650,922	938,959	12.75	938,959	None
Moving EV Service Company Ltd.	-	-	1,475,000	14,735	-	-	1,475,000	14,735	9.99	14,735	None
Blade Hydrogen Green Technology Co., Ltd.	16,715,140	49,797	-	-	-	(176)	16,715,140	49,621	2.97	49,621	
H2 Energy Co., Ltd.	750,000	\$ 6,820	-	-	-	(471)	750,000	6,349	8.47	6,349	
		<u>\$ 2,481,443</u>		<u>\$ 187,164</u>		<u>(\$ 139,746)</u>		<u>\$ 2,528,861</u>		<u>\$ 2,528,861</u>	
Less: unrealized gains from sales between investee companies		(174,340)						(143,470)			
Plus: effect of buyer tax		1,095						1,582			
Plus: Reclassified credit balance of investments accounted for under equity method		34,292						84,825			
		<u>\$ 2,342,490</u>						<u>\$ 2,471,798</u>			

Mobiletron Electronics Co., Ltd.
Statement of changes for property, plant, and equipment
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Beginning amount</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance - end of period</u>	<u>Guarantee or mortgage</u>
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For relevant information on “property, plant and equipment”, please refer to Note VI (VII) for details.

Mobiletron Electronics Co., Ltd.
Statement of Changes in Investment Properties
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Beginning amount</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance - end of period</u>	<u>Guarantee or mortgage</u>
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For relevant information on “investment properties”, please refer to Note VI (X) for details.

Mobiletron Electronics Co., Ltd.
Statement of Short-term Loans
December 31, 2025

Unit: NT\$ thousand

<u>Creditor</u>	<u>Summary</u>	<u>Balance - end of period</u>	<u>Contract Period (YYYY/MM/DD)</u>	<u>Interest rate range</u>	<u>Line of credit</u>	<u>Pledge or Guarantee</u>	<u>Remark</u>
Chang Hwa Bank	Credit loans	\$ 400,000	2025/07/23-2026/05/05	Note	\$ 400,000	None	
Shanghai Commercial & Savings Bank	Credit loans	200,000	2025/09/03-2026/03/31	Note	200,000	None	
Bangkok Bank	Credit loans	150,000	2025/12/24-2026/01/24	Note	150,000	None	
E.SUN BANK	Credit loans	100,000	2025/09/03-2026/03/31	Note	100,000	None	
Cathay United Bank	Secured loans	100,000	2025/10/20-2026/03/11	Note	100,000	Restricted deposits	
Chang Hwa Bank	Secured loans	43,000	2025/09/26-2026/09/26	Note	43,000	Buildings, and investment properties	
		<u>\$ 993,000</u>					

Note: The borrowing interest rate range in 2025 was 1.965%–2.45%.

Mobiletron Electronics Co., Ltd.
Statement of Long-term Loans
December 31, 2025

Unit: NT\$ thousand

Creditor	Summary	Borrowing Amount	Contract Period (YYYY/MM/DD)	Interest rate	Pledge or Guarantee	Remark
The syndicate led by Chang Hwa Bank	Long-term borrowings	\$ 950,000	2025/05/02-2030/05/02	2.977%	Land and buildings	
The syndicate led by Chang Hwa Bank	Long-term borrowings	250,000	2025/05/02-2030/05/02	2.977%	None	
Chang Hwa Bank	Comprehensive limit loans	654,325	2019/11/29-2029/11/15	1.325%~1.825%	None	
E.SUN BANK	Comprehensive limit loans	270,613	2019/09/27-2028/08/15	0.720%	None	
Subtotal		2,124,938				
	Transferred to long-term loans maturing within one year	(269,315)				
	Discounts on government grants	(11,657)				
		<u>\$ 1,843,966</u>				

Mobiletron Electronics Co., Ltd.
Statement of sales revenue
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

Item	Summary	Unit	Amount	Remark
voltage regulator	2,648,249	Piece	\$ 417,600	
Tire pressure monitoring system and battery pack	532,527	Piece	376,925	
rectifier	416,370	Piece	84,136	
Electronic igniter	300,869	Piece	67,262	
Others				Each minor item does not exceed 5% of the balance of this account
			266,272	
			<u>\$ 1,212,195</u>	

Mobiletron Electronics Co., Ltd.
Statement of cost of goods sold
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

Cost of self-produced goods sold:

Opening raw materials	\$	\$325,470
Plus: Purchase		449,561
Gain on raw materials		900
Less: Closing raw materials	(	267,944)
Purchase of processed goods outsourced to overseas subsidiaries for the period	(	182,407)
Raw materials sold in the period	(	40,741)
Raw material scrap	(	31,995)
Transferred to related costs	(	6,147)
Raw materials consumed in the current period		246,697
Plus: Director labor		58,316
Manufacturing overheads		146,085
Unallocated fixed manufacturing overheads	(	56,883)
Manufacturing overheads		394,215
Plus: Opening work in process		23,617
Transfers of merchandise		35,627
Less: Closing work in process	(	25,150)
Costs of finished goods		428,309
Plus: Opening balance of finished goods		168,749
Finished goods purchased in the period		30,752
Less: Closing balance of finished goods	(	172,708)
Inventory loss of finished goods	(	11)
Finished goods scrap	(	4,870)
Transferred to related costs	(	6,604)
Production and sales costs		443,617
Acquired cost of sales:		
Beginning merchandise		24,557
Plus: Purchase		412,107
Less: Closing merchandise	(	31,310)
Merchandise inventories transferred to work in process	(	35,627)
Inventory loss of commodities	(	2)
Product scrap	(	199)
Transferred to related costs	(	6,195)
Cost of purchase and sales		363,331
Cost of self-produced and acquired goods sold		806,948
Cost of raw materials sold		40,741
Cost of inventories sold		847,689
Unallocated fixed manufacturing overheads		56,883
Retirement losses		37,064
Gain from price recovery of inventory	(	27,760)
Gain on physical inventory	(	887)
Cost of goods sold	\$	\$912,989

Mobiletron Electronics Co., Ltd.
Statement of manufacturing overheads
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amount	Remark
Salary expenses		\$ 53,685	
Depreciation		36,003	
Utility bills		12,758	
Import fees		10,028	
Other expenses		33,611	Each minor item does not exceed 5% of the balance of this account
		<u>\$ 146,085</u>	

Mobiletron Electronics Co., Ltd.
Statement of Operating Expenses
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amortization expenses Amount	Administrative Expenses Amount	Research fees Amount	Remark
Salary expenses		\$ 28,004	\$ 70,332	\$ 54,718	
Royalty fees		7,385	-	-	
Import and export fees		6,063	-	-	
Advertising fees		8,328	272	-	
Depreciation		38	27,986	3,002	
Professional service expenses		1,615	14,034	18,216	
Insurance expenses		7,174	13,256	5,883	
Research material fees		-	-	9,412	
Miscellaneous expenses		3,588	14,653	1,268	
Other expenses		13,748	37,112	19,593	Each minor item does not exceed 5% of the balance of this account
		<u>\$ 75,943</u>	<u>\$ 177,645</u>	<u>\$ 112,092</u>	

Mobiletron Electronics Co., Ltd.
Statement of other income
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
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For relevant information on “statement of interest income”, please refer to Note VI (XXIII) for details.

Mobiletron Electronics Co., Ltd.
Statement of Finance Costs
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
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For relevant information on “statement of finance costs”, please refer to Note VI (XXV) for details.

Mobiletron Electronics Co., Ltd.
Summary statement of employee benefits, depreciation, depletion and amortization expenses incurred in the current period by function
January 1, 2025 to December 31, 2025

Unit: NT\$ thousand

2025			2024		
Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total

For relevant information on “summary statement of employee benefits, depreciation, depletion and amortization expenses incurred in the current period by function”, please refer to Note VI (XXVI) for details.

Mobiletron Electronics Co., Ltd. and its Subsidiaries

Loans to others

January 1 to December 31, 2025

Unit: NT\$ thousand
(Except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance in current period	Balance - end of period	Actual amount drawn down	Interest rate range	Nature of loan (Note 2)	Amount of transaction with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark	
0	Mobiletron Electronics Co., Ltd.	DUROFIX INC.	Other receivables - related parties	Yes	\$ 178,152	\$ 178,152	\$ 178,152	3.50%	(1)	\$ 260,714	N/A	\$ -	-	None	\$ -	\$ 260,714	\$ 458,473	Note 1, 3
1	Durofix Co., Ltd.	Mobiletron Electronics Co., Ltd.	Other receivables - related parties	Yes	20,000	-	-	0.50%	(2)	-	Business operation	-	-	None	-	524	524	Note 4

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: Nature of loan.

- (1). Those with whom the Company conducts business.
- (2). Where a short-term financing is necessary.

Note 3: If the funds are lent to a company or firm with a business relationship, the total amount of the loan shall not exceed 20% of the lender's net worth; the amount of individual loans shall not exceed the amount of business transactions between the two parties in the most recent two years.

Note 4: Limits for those who need short-term financing: The total amount of the loan shall not exceed 40% of the lender's net worth; the amount of individual loans shall not exceed 40% of the lender's net worth.

Mobiletron Electronics Co., Ltd. and its Subsidiaries
Provision of endorsements and guarantees to others
January 1 to December 31, 2025

Table 2

Unit: NT\$ thousand
(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Company name	Party being endorsed/guaranteed Relationship (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount in current period	Outstanding endorsement/ guarantee amount at end of period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsements/ guarantees to net worth per latest financial statements	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to a party in Mainland China	Remark
0	Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	(1)	\$ 1,833,892	\$ 66,410	\$ 62,860	\$ 15,715	\$ -	2.74%	\$ 2,292,365	Y	N	N	Note 3, 4
0	Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	(2)	1,833,892	1,512,205	1,459,000	815,463	-	63.65%	2,292,365	Y	N	N	Note 3, 4
1	Mobiletron Electronics (Ningbo) Co., Ltd.	Yuyao Mobiletron Commerce And Trade Co., Ltd.	(1)	287,191	206,816	206,816	63,861	-	28.80%	351,809	Y	N	Y	Note 5
1	Mobiletron Electronics (Ningbo) Co., Ltd.	Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	(1)	287,191	45,730	44,960	890	-	6.26%	351,809	Y	N	Y	Note 5

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: Relationship between the party being endorsed/guaranteed and the Company.

- (1). The relationship between the party being endorsed/guaranteed and the Company is the Company's sub-subsidiary.
- (2). The relationship between the party being endorsed/guaranteed and the Company is the Company's subsidiary.

Note 3: The total amount of endorsements/guarantees the Company makes for a single firm shall not exceed 80% of the Company's net worth in the current period.

Note 4: The total cumulative external endorsement / guarantee liability of the Company and its subsidiaries as a whole: shall not exceed 100% of the Company's net worth in the current period.

Note 5: Limit on endorsements/guarantees provided for a single party: shall not exceed 40% of the net worth of Mobiletron Electronics (Ningbo) Co., Ltd.; total amount of external endorsements / guarantees: shall not exceed 49% of the net worth of Mobiletron Electronics (Ningbo) Co., Ltd.

Mobiletron Electronics Co., Ltd. and its Subsidiaries
Holding of marketable securities (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 3

Unit: NT\$ thousand
(Except as otherwise indicated)

Name of the Company or invested company		Marketable securities	Relationship with the securities issuer	General ledger account	End of the Period				Remark
					Number of shares	Carrying amount	Shareholding ratio	Fair value	
Mobiletron Electronics Co., Ltd.	Stock	Asia Pacific Microsystems, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	840,685	\$ 8,044	1.79%	\$ 16,219	
Mobiletron Electronics Co., Ltd.	Stock	Clientron Corp.	-	Financial assets at fair value through other comprehensive income - non-current	816,829	22,583	1.28%	6,306	
Mobiletron Electronics Co., Ltd.	Stock	NExT-e-Solutions INC.	-	Financial assets at fair value through other comprehensive income - non-current	13,820	97,593	5.15%	79,088	
Mobiletron Electronics Co., Ltd.	Stock	V2Plus Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	5,937,500	17,765	18.15%	-	
Mobiletron Electronics Co., Ltd.	Stock	Megago Tech Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	4,547,494	6,155	14.81%	19,022	
Mobiletron Electronics Co., Ltd.	Stock	AMIT System Service Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	230,208	2,096	8.41%	902	
Mobiletron Electronics (Ningbo) Co., Ltd.	Stock	Changchun Trarrii Electronic Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,000,000	1,760	16.67%	63	
RAC Electric Vehicles Inc.	Stock	Green Hydrotec Inc.	-	Financial assets at fair value through other comprehensive income - non-current	975,000	-	7.87%	-	
						155,996		\$ 121,600	
					Valuation adjustments	(34,396)			
						\$ 121,600			
Mobiletron Electronics Co., Ltd.	Stock	Bei Ke Zhi Xing Venture Capital Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	2,000,000	\$ 31,354	6.67%	\$ 28,944	
Mobiletron Electronics Co., Ltd.	Fund	Yuanta Mainstream Equity Fund	-	Financial assets at fair value through profit or loss - current	489,471	5,000	-	42,638	
Mobiletron Electronics Co., Ltd.	Stock	Others (Note 1)	-	Financial assets at fair value through profit or loss - current	303,097	10,804	-	6,104	
REGITAR U.S.A. INC.	Convertible bonds	Optimal Electric Vehicles LLC.	-	Financial assets at fair value through profit or loss - current	-	473,150	-	462,191	
Mobiletron Electronics Co., Ltd.	Convertible bonds	Optimal Electric Vehicles LLC.	-	Financial assets at fair value through profit or loss - current	-	164,700	-	154,289	
Mobiletron Electronics Co., Ltd.	Convertible bonds	Optimal Electric Vehicles LLC.	-	Financial assets at fair value through profit or loss - non-current	-	149,790	-	147,563	
						834,798		\$ 841,729	
					Valuation adjustments	8,631			
					Effect of Exchange Rate Changes	(1,700)			
						\$ 841,729			

Note 1: The remaining marketable securities that do not exceed 5% of the account or NT\$10 million shall be presented in other summaries.

Mobiletron Electronics Co., Ltd. and its Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

January 1 to December 31, 2025

Table 4

Unit: NT\$ thousand
(Except as otherwise indicated)

Purchaser / seller	Counterparty	Relationship	Transaction			Differences in transaction terms and reasons		Notes / accounts receivable (payable)			Remark
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes / accounts receivable (payable)	
Mobiletron Electronics Co., Ltd.	Mobiletron Electronics (Ningbo) Co., Ltd.	The Company's sub-subsiidiary	Purchase of outsourced processing	\$ 298,241	33%	Payment shall be made within 180 days after the monthly settlement	Note 1	The collection period for general vendors is within 90 days of the monthly settlement	(\$ 133,857)	-48%	-
Mobiletron Electronics Co., Ltd.	Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	The Company's sub-subsiidiary	Procurements	141,824	16%	Payment shall be made within 30 to 60 days after the import of the goods	Note 2	The collection period for general vendors is within 90 days of the monthly settlement	(30,097)	-11%	-
Mobiletron Electronics Co., Ltd.	REGITAR U.S.A. INC.	A subsidiary of the Company	Sales revenue	(202,410)	-17%	Payment shall be collected within 30 to 60 days after shipment	Note 2	The collection period for general customers is 30 to 90 days after the monthly settlement	64,125	13%	-
Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	The Company's sub-subsiidiary	Sales revenue	(147,560)	-12%	Payment shall be collected within 180 days after shipment	Note 2	The collection period for general customers is 30 to 90 days after the monthly settlement	109,935	23%	-
Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	A subsidiary of the Company	Sales revenue	(222,224)	-18%	Payment shall be collected within 120 days after the monthly settlement	Note 2	The collection period for general customers is 30 to 90 days after the monthly settlement	126,839	27%	-
Mobiletron Electronics Co., Ltd.	MOBILETRON U.K. LTD.	A subsidiary of the Company	Sales revenue	(126,108)	-10%	Payment shall be collected within 180 days after shipment	Note 2	The collection period for general customers is 30 to 90 days after the monthly settlement	68,104	14%	-
RAC Electric Vehicles Inc.	Yuyao Mobiletron Commerce And Trade Co., Ltd.	The same ultimate parent	Procurements	232,647	14%	Part of the payment (20%) was collected in advance as a deposit, and the remaining payment (80%) was made within 45 days after the monthly settlement	Note 2	The collection period for general vendors is within 90 days of the monthly settlement	(29,175)	-5%	-

Note 1: The selling price is based on the company's costs plus 12% to 18%.

Note 2: It is difficult to compare the selling price conditions of the relevant products with those of non-related parties.

Mobiletron Electronics Co., Ltd. and its Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2025

Table 5

Unit: NT\$ thousand
(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Balance of accounts receivables of related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Remark
					Amount	Action taken			
Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	The Company's sub- subsidiary	\$ 288,087	Note 3	\$ -	-	\$ -	-	Note 2
Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	A subsidiary of the Company	126,839	0.56	-	-	57,060	-	-
Mobiletron Electronics (Ningbo) Co., Ltd.	Mobiletron Electronics Co., Ltd.	The Company's sub- subsidiary	133,857	2.00	-	-	-	-	-

Note 1: The amount as of March 10, 2026.

Note 2: On November 12, 2024; January 21, March 11, May 6, August 12, November 11, 2025; and February 10, 2026, the Company's Board of Directors resolved to transfer the Company's accounts receivable from DUROFIX, INC. to loans granted, and the transfer amount is mainly based on the amount approved by the Board of Directors.

Note 3: The amount includes other receivables of nature of loan, so the turnover rate is not calculated.

Mobiletron Electronics Co., Ltd. and its Subsidiaries
Business relationships and significant intercompany transactions between parent and subsidiaries
January 1 to December 31, 2025

Table 6

Unit: NT\$ thousand
(Except as otherwise indicated)

No. (Note 1)	Trader name	Counterparty	Relationship with the trader (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Mobiletron Electronics Co., Ltd.	REGITAR U.S.A. INC.	(1)	Sales revenue	\$ 202,410	Payment shall be collected within 30 to 60 days after shipment	5%
0	Mobiletron Electronics Co., Ltd.	MOBILETRON U.K. LTD.	(1)	Sales revenue	126,108	Payment shall be collected within 180 days after shipment	3%
0	Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	(1)	Sales revenue	147,560	Payment shall be collected within 180 days after shipment	4%
0	Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	(1)	Sales revenue	222,224	Payment shall be collected within 120 days after the monthly settlement	6%
0	Mobiletron Electronics Co., Ltd.	Mobiletron Electronics (Ningbo) Co., Ltd.	(2)	Purchase amount	298,241	Payment shall be made within 180 days after the monthly settlement	7%
0	Mobiletron Electronics Co., Ltd.	Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	(2)	Purchase amount	141,824	Payment shall be made within 30 to 60 days after the import of the goods	4%
0	Mobiletron Electronics Co., Ltd.	Yuyao Mobiletron Commerce And Trade Co., Ltd.	(2)	Purchase amount	57,209	Payment shall be made within 30 days after the monthly settlement	1%
0	Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	(1)	Other receivables	178,152	-	2%
0	Mobiletron Electronics Co., Ltd.	MOBILETRON U.K.LTD.	(1)	Accounts receivable	68,104	Payment shall be collected within 180 days after shipment	1%
0	Mobiletron Electronics Co., Ltd.	DUROFIX, INC.	(1)	Accounts receivable	109,935	Payment shall be collected within 180 days after shipment	1%
0	Mobiletron Electronics Co., Ltd.	REGITAR U.S.A. INC.	(1)	Accounts receivable	64,125	Payment shall be collected within 30 to 60 days after shipment	1%
0	Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	(1)	Accounts receivable	126,839	Payment shall be collected within 120 days after the monthly settlement	1%
0	Mobiletron Electronics Co., Ltd.	Mobiletron Electronics (Ningbo) Co., Ltd.	(2)	Accounts payable	133,857	Payment shall be made within 180 days after the monthly settlement	1%
0	Mobiletron Electronics Co., Ltd.	Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	(2)	Accounts payable	30,097	Payment shall be made within 30 to 60 days after the import of the goods	0%
0	Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	(1)	Other income	39,751	-	1%
1	RAC Electric Vehicles Inc.	Yuyao Mobiletron Commerce And Trade Co., Ltd.	(3)	Purchase amount	232,647	Part of the payment (20%) was collected in advance as a deposit, and the remaining payment (80%) was made within 45 days after the monthly settlement	6%
1	RAC Electric Vehicles Inc.	Mobiletron Electronics Co., Ltd.	(2)	Lease liabilities	122,848	Monthly payment	1%
1	RAC Electric Vehicles Inc.	Yuyao Mobiletron Commerce And Trade Co., Ltd.	(3)	Accounts payable	29,175	Payment shall be made within 45 days after the monthly settlement	0%

Note 1: The information on business dealings between the parent company and subsidiaries shall be numbered as below:

- (1). The number 0 represents the parent company.
- (2). The subsidiaries are numbered in order from number 1 according to the company type.

Note 2: Related-party transaction types:

- (1). Parent company to subsidiary.
- (2). Subsidiary to parent company.
- (3). Subsidiary to subsidiary.

Note 3: Only transaction information with an amount of more than NT\$10 million is disclosed.

Mobiletron Electronics Co., Ltd. and its Subsidiaries

Names, locations and other information of the invested companies (excluding investees in China)

January 1 to December 31, 2025

Table 7

Unit: NT\$ thousand
(Except as otherwise indicated)

Investor name	Investee	Location	Main business activities	Initial investment amount		Shares held as at end of period			Net profit (loss) of the investee for the current period	Investment income (loss) recognized by the Company for the current period	Remark
				End of the period	End of last year	Number of shares	Ownership (%)	Carrying amount			
Mobiletron Electronics Co., Ltd.	STONEWALL VENTURES INC.	British Virgin Islands	Import and export trade and general investment business	\$ 317,982	\$ 317,982	16,586	100.00%	\$ 718,521	\$ 80,267	\$ \$78,736	Note 2, 3
Mobiletron Electronics Co., Ltd.	REGITAR U.S.A INC.	U.S.A.	Buying and selling of auto parts, digital tools, metal stamping parts, etc.	98,695	98,695	100,000	100.00%	756,479	13,680	11,752	Note 2, 3
Mobiletron Electronics Co., Ltd.	MOBILETRON U.K. LTD.	United Kingdom	Buying and selling of auto parts and digital tools	164,021	164,021	3,400,000	100.00%	(84,825)	(78,687)	(76,216)	Note 2
Mobiletron Electronics Co., Ltd.	Durofix Co., Ltd.	Taiwan	Buying and selling of digital tools	1,000	50,000	100,000	100.00%	1,311	11	11	Note 2, 3
Mobiletron Electronics Co., Ltd.	RAC Electric Vehicles Inc.	Taiwan	Manufacture and sales of electric buses	1,808,607	1,808,607	73,650,922	60.48%	924,782	160,422	86,433	Note 2, 3
Mobiletron Electronics Co., Ltd.	Moving EV Service Company Ltd.	Taiwan	Industry incubation	14,750	-	1,475,000	50.00%	14,735	(30)	(15)	Note 2, 3
Mobiletron Electronics Co., Ltd.	Blade Hydrogen Green Technology Co., Ltd.	Taiwan	Energy technical services	49,976	49,976	16,715,140	15.57%	49,621	(2,872)	(447)	-
Mobiletron Electronics Co., Ltd.	H2 Energy Co., Ltd.	Taiwan	Energy technical services	7,500	7,500	750,000	23.44%	6,349	(2,590)	(646)	-
STONEWALL VENTURES INC.	MOBILETRON LIMITED	Hong Kong	Import and export trade business	317,982	317,982	9,950,736	100.00%	718,521	80,267	-	Note 1, 2
MOBILETRON U.K. LTD.	DUROFIX, INC.	U.S.A.	Buying and selling of auto parts and digital tools	200,928	200,928	6,369,990	100.00%	(174,437)	(55,293)	-	Note 1, 2, 3
RAC Electric Vehicles Inc.	Blade Hydrogen Green Technology Co., Ltd.	Taiwan	Energy technical services	25,000	25,000	13,400,000	12.48%	34,307	(2,872)	(471)	-
RAC Electric Vehicles Inc.	MaxWin International Industrial Limited	Samoa	General investment business	-	2,307	-	-	-	(133)	-	Note 1, 2, 4
RAC Electric Vehicles Inc.	Moving EV Service Company Ltd.	Taiwan	Industry incubation	14,750	-	1,475,000	50.00%	14,735	(30)	(15)	Note 2, 3

Note 1: It is the Company's sub-subsidiary, and the investment income recognized by the Company is not listed.

Note 2: It has been written off in the consolidated report.

Note 3: The investment income for the current period are recognized in the financial statements audited by the CPAs.

Note 4: In line with the Group's future strategic planning and focus on enhancing its core competitiveness in electric vehicles, RAC disposed of its equity interest in MaxWin International Industrial Limited, with the share transfer date set at June 30, 2025.

Mobiletron Electronics Co., Ltd. and its Subsidiaries
Information on investments in China - basic information
January 1 to December 31, 2025

Table 8

Unit: NT\$ thousand
(Except as otherwise indicated)

Investee company name in China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Investment amount remitted from Taiwan or remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan as of the end of period	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current period	Book value of investments in Mainland China as of end of period	Accumulated amount of investment income remitted back to Taiwan as of end of period	Remark
Mobiletron Electronics (Ningbo) Co., Ltd.	Production and trading of parts of electric hand tools, power distribution boards, ignition coils, flashlights, electric ignitions and parts of starting equipment.	\$ 317,982	Note 1	\$ 317,982	\$ -	\$ -	\$ 317,982	\$ 80,267	100%	\$ 78,736	\$ 718,521	\$ 372,614	Note 4, 5
Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	Trading of parts of electric hand tools, power distribution boards, ignition coils, flashlights, electric ignitions and parts of starting equipment.	2,283	Note 2	-	-	-	-	3,278	100%	3,278	64,021	-	Note 4, 5
Yuyao Mobiletron Commerce And Trade Co., Ltd.	Production and trading of parts of electric hand tools, power distribution boards, ignition coils, flashlights, electric ignitions and parts of starting equipment.	4,407	Note 2	-	-	-	-	9,732	100%	9,732	19,617	-	Note 4, 5
Dongguan Can Ding Software Development Technology Co., Ltd.	Software-related technical support.	-	Note 3	2,307	-	(2,307)	-	(133)	-	(133)	-	-	Note 5, 6

Note 1: Directly invest in a company in Mainland China.

Note 2: Reinvested in China through Mobiletron Electronics (Ningbo) Co., Ltd.

Note 3: Reinvest in mainland China through MaxWin International Industrial Limited.

Note 4: The investment income for the current period are recognized in the financial statements audited by the CPAs of the parent company in Taiwan.

Note 5: It has been written off in the consolidated report.

Note 6: In line with the Group's future strategic planning and focus on enhancing its core competitiveness in electric vehicles, RAC disposed of its equity interest in MaxWin International Industrial Limited, with the share transfer date set at June 30, 2025. Dongguan Candng Software Development Technology Co., Ltd. is a 100% owned investee of MaxWin International Industrial Limited.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of the end of period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (M.O.E.A.)	Ceiling on investments in Mainland China imposed by the Investment Commission of M.O.E.A.
Mobiletron Electronics (Ningbo) Co., Ltd.	\$ 317,982	\$ 317,982	\$ 1,664,714
Dongguan Can Ding Software Development Technology Co., Ltd.	-	2,307	734,340

Mobiletron Electronics Co., Ltd. and its Subsidiaries

Information of investment in China - significant transactions, either directly or indirectly through a third area, with investee companies in China

January 1 to December 31, 2025

Table 9

Unit: NT\$ thousand
(Except as otherwise indicated)

Investee company name in China	Counterparty	Purchases (sales)		Property transactions		Accounts receivable (payable)		Note endorsement / guarantee or collateral provision		Financing					Others
		Amount	%	Amount	%	Balance	%	Balance - end of period	Purpose	Highest balance	Balance - end of period	Interest rate range	Current interest		
Mobiletron Electronics (Ningbo) Co., Ltd.	Mobiletron Electronics Co., Ltd.	(\$ 298,241)	-33%	\$ -	-	(\$ 133,857)	-48%	\$ -	-	\$ -	\$ -	-	\$ -	-	None
Yuyao Mobiletron Electronics Commerce And Trade Co., Ltd.	Mobiletron Electronics Co., Ltd.	(141,824)	-16%	-	-	(30,097)	-11%	-	-	-	-	-	-	-	None
Yuyao Mobiletron Commerce And Trade Co., Ltd.	Mobiletron Electronics Co., Ltd.	(57,209)	-6%	-	-	(32)	0%	-	-	-	-	-	-	-	None
Yuyao Mobiletron Commerce And Trade Co., Ltd.	RAC Electric Vehicles Inc.	(232,647)	-14%	-	-	(29,175)	-1%	-	-	-	-	-	-	-	None