

**AMULAIRE THERMAL TECHNOLOGY,
INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of AMULAIRE THERMAL TECHNOLOGY, INC.

Opinion

We have audited the accompanying consolidated balance sheets of Amulaire Thermal Technology, Inc. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements is stated as follows:

Valuation of inventories

Description

Refer to Notes 4(12), 5(2) and 6(5) to the financial statements for the details of the Group's accounting policy on inventory valuation, estimates and assumptions and allowance for inventory valuation losses. The Group's inventories constituted a significant portion of total assets, and the industry involves a rapidly changing technology. Since the Group assesses obsolete or slow-moving inventories based on the market demand in future periods, and the determination of net realisable value for obsolete or slow-moving inventories involves subjective judgement resulting in a high degree of estimation uncertainty, we determined the valuation of inventories as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the policy on allowance for inventory valuation loss to assess the reasonableness of application.
2. Validated the accuracy of the system logic in calculating the ageing of inventories.
3. Tested the basis of market value used in calculating the net realisable value of inventory and validated the accuracy of net realisable value calculation of selected samples.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Amulair Thermal Technology, Inc. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Ching Chang

Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 4, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | December 31, 2025 | | December 31, 2024 | | |
|---------------------------|--|-------------------|---------------------|-------------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 197,179 | 9 | \$ 71,167 | 3 |
| 1110 | Current financial assets at fair value | 6(2) | | | | |
| | through profit or loss | | 11,036 | 1 | 93,823 | 4 |
| 1136 | Current financial assets at amortised | 6(3) and 8 | | | | |
| | cost | | 2,681 | - | 5,804 | - |
| 1170 | Accounts receivable, net | 6(4) | 323,370 | 14 | 150,389 | 6 |
| 130X | Inventory | 6(5) | 233,618 | 10 | 258,418 | 11 |
| 1410 | Prepayments | | 24,343 | 1 | 17,779 | 1 |
| 1460 | Non-current assets classified as held | 6(6) and 8 | | | | |
| | for sale, net | | - | - | 415,201 | 17 |
| 1479 | Other current assets | | 42,644 | 2 | 30,249 | 1 |
| 11XX | Total current assets | | <u>834,871</u> | <u>37</u> | <u>1,042,830</u> | <u>43</u> |
| Non-current assets | | | | | | |
| 1550 | Investments accounted for using | 6(7) | | | | |
| | equity method | | - | - | 9,917 | 1 |
| 1600 | Property, plant and equipment | 6(8) and 8 | 1,349,863 | 59 | 1,250,773 | 52 |
| 1755 | Right-of-use assets | 6(10) | 27,913 | 1 | 28,953 | 1 |
| 1780 | Intangible assets | 6(9) | 41,530 | 2 | 26,090 | 1 |
| 1840 | Deferred income tax assets | 6(23) | 17,560 | 1 | 23,014 | 1 |
| 1900 | Other non-current assets | 6(14) | 12,099 | - | 17,607 | 1 |
| 15XX | Total non-current assets | | <u>1,448,965</u> | <u>63</u> | <u>1,356,354</u> | <u>57</u> |
| 1XXX | Total assets | | <u>\$ 2,283,836</u> | <u>100</u> | <u>\$ 2,399,184</u> | <u>100</u> |

(Continued)

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | December 31, 2025 | | December 31, 2024 | | |
|--|--|-------------------|---------------------|-------------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(11) | \$ 69,283 | 3 | \$ 30,000 | 1 |
| 2120 | Current financial liabilities at fair value through profit or loss | 6(2) | - | - | 835 | - |
| 2170 | Accounts payable | | 71,791 | 3 | 34,065 | 2 |
| 2200 | Other payables | 6(12) | 92,641 | 4 | 71,851 | 3 |
| 2220 | Other payables to related parties | 7 | - | - | 6,659 | - |
| 2230 | Current income tax liabilities | 6(23) | 32,616 | 2 | - | - |
| 2280 | Current lease liabilities | 6(10) | 12,314 | 1 | 6,965 | - |
| 2320 | Long-term liabilities, current portion | 6(13) | 93,898 | 4 | 66,893 | 3 |
| 2399 | Other current liabilities | 6(19) | 3,168 | - | 2,966 | - |
| 21XX | Total current liabilities | | <u>375,711</u> | <u>17</u> | <u>220,234</u> | <u>9</u> |
| Non-current liabilities | | | | | | |
| 2540 | Long-term borrowings | 6(13) | 360,905 | 16 | 652,746 | 27 |
| 2570 | Deferred income tax liabilities | 6(23) | 2,611 | - | 5,254 | - |
| 2580 | Non-current lease liabilities | 6(10) | 20,077 | 1 | 26,289 | 1 |
| 2600 | Other non-current liabilities | | 6,804 | - | 6,804 | 1 |
| 25XX | Total non-current liabilities | | <u>390,397</u> | <u>17</u> | <u>691,093</u> | <u>29</u> |
| 2XXX | Total liabilities | | <u>766,108</u> | <u>34</u> | <u>911,327</u> | <u>38</u> |
| Equity | | | | | | |
| Share capital | | | | | | |
| 3110 | Common shares | 6(16) | 1,046,023 | 46 | 1,046,023 | 44 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(17) | 1,094,433 | 48 | 1,092,201 | 46 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(18) | 27,581 | 1 | 27,581 | 1 |
| 3350 | Accumulated deficit | | (831,466) | (36) | (758,402) | (32) |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | | 5,916 | - | 3,463 | - |
| 31XX | Equity attributable to owners of parent | | <u>1,342,487</u> | <u>59</u> | <u>1,410,866</u> | <u>59</u> |
| 36XX | Non-controlling interests | 4(3) and 6(25) | <u>175,241</u> | <u>7</u> | <u>76,991</u> | <u>3</u> |
| 3XXX | Total equity | | <u>1,517,728</u> | <u>66</u> | <u>1,487,857</u> | <u>62</u> |
| Commitments and contingent liabilities 9 | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 2,283,836</u> | <u>100</u> | <u>\$ 2,399,184</u> | <u>100</u> |

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

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

| | Items | Notes | Year ended December 31 | | | |
|------|--|----------------|----------------------------|---------------------|-----------------------------|---------------------|
| | | | 2025 | | 2024 | |
| | | | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(19) | \$ 785,614 | 100 | \$ 689,030 | 100 |
| 5000 | Operating costs | 6(5)(22) and 7 | (758,096) | (97) | (686,339) | (100) |
| 5900 | Gross profit from operations | | <u>27,518</u> | <u>3</u> | <u>2,691</u> | <u>-</u> |
| | Operating expenses | 6(22) | | | | |
| 6100 | Selling expenses | | (30,843) | (4) | (48,781) | (7) |
| 6200 | General and administrative expenses | | (56,559) | (7) | (45,675) | (7) |
| 6300 | Research and development expenses | | (70,903) | (9) | (120,098) | (17) |
| 6450 | Expected credit impairment gain (loss) | 6(4) | <u>250</u> | <u>-</u> | <u>(1,413)</u> | <u>-</u> |
| 6000 | Total operating expenses | | <u>(158,055)</u> | <u>(20)</u> | <u>(215,967)</u> | <u>(31)</u> |
| 6900 | Operating loss | | <u>(130,537)</u> | <u>(17)</u> | <u>(213,276)</u> | <u>(31)</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | | 1,220 | - | 2,052 | - |
| 7010 | Other income | 7 | 4,819 | 1 | 5,020 | 1 |
| 7020 | Other gains and losses | 6(20) | 103,614 | 13 | 3,035 | - |
| 7050 | Finance costs | 6(21) | (13,003) | (1) | (15,767) | (2) |
| 7060 | Share of loss of associates and joint ventures accounted for using equity method | 6(7) | <u>(6,722)</u> | <u>(1)</u> | <u>(7,422)</u> | <u>(1)</u> |
| 7000 | Total non-operating income and expenses | | <u>89,928</u> | <u>12</u> | <u>(13,082)</u> | <u>(2)</u> |
| 7900 | Loss before income tax | | <u>(40,609)</u> | <u>(5)</u> | <u>(226,358)</u> | <u>(33)</u> |
| 7950 | Income tax expense | 6(23) | <u>(35,436)</u> | <u>(5)</u> | <u>(1,207)</u> | <u>-</u> |
| 8200 | Loss for the year | | <u><u>(\$ 76,045)</u></u> | <u><u>(10)</u></u> | <u><u>(\$ 227,565)</u></u> | <u><u>(33)</u></u> |
| | Other comprehensive income | | | | | |
| | Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 | Gains on remeasurements of defined benefit plans | 6(14) | \$ 669 | - | \$ 1,039 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(23) | <u>(134)</u> | <u>-</u> | <u>(208)</u> | <u>-</u> |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Exchange differences on translation | | <u>4,606</u> | <u>1</u> | <u>6,860</u> | <u>1</u> |
| 8300 | Other comprehensive income for the year | | <u>\$ 5,141</u> | <u>1</u> | <u>\$ 7,691</u> | <u>1</u> |
| 8500 | Total comprehensive loss for the year | | <u><u>(\$ 70,904)</u></u> | <u><u>(9)</u></u> | <u><u>(\$ 219,874)</u></u> | <u><u>(32)</u></u> |
| | Loss attributable to: | | | | | |
| 8610 | Owners of parent | | <u>(\$ 73,599)</u> | <u>(10)</u> | <u>(\$ 207,116)</u> | <u>(30)</u> |
| 8620 | Non-controlling interests | | <u>(2,446)</u> | <u>-</u> | <u>(20,449)</u> | <u>(3)</u> |
| | Comprehensive loss attributable to: | | <u><u>(\$ 76,045)</u></u> | <u><u>(10)</u></u> | <u><u>(\$ 227,565)</u></u> | <u><u>(33)</u></u> |
| 8710 | Owners of parent | | <u>(\$ 70,611)</u> | <u>(9)</u> | <u>(\$ 202,563)</u> | <u>(29)</u> |
| 8720 | Non-controlling interests | | <u>(293)</u> | <u>-</u> | <u>(17,311)</u> | <u>(3)</u> |
| | | | <u><u>(\$ 70,904)</u></u> | <u><u>(9)</u></u> | <u><u>(\$ 219,874)</u></u> | <u><u>(32)</u></u> |
| | Loss per share (in dollars) | 6(24) | | | | |
| 9750 | Basic loss per share | | <u><u>(\$ 0.70)</u></u> | | <u><u>(\$ 1.98)</u></u> | |
| 9850 | Diluted loss per share | | <u><u>(\$ 0.70)</u></u> | | <u><u>(\$ 1.98)</u></u> | |

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

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

| Notes | Equity attributable to owners of the parent | | | | | | | | |
|---|---|---|----------------------------|-------------------|---------------------|--|--------------|------------------------------|--------------|
| | Share capital - common stock | Capital Reserves | | Retained Earnings | | Exchange differences on translation of foreign financial statements | Total | Non-controlling interests | Total equity |
| | | Capital surplus, additional paid-in capital | Capital surplus, others | Legal reserve | Accumulated deficit | | | | |
| <u>Year ended December 31, 2024</u> | | | | | | | | | |
| Balance at January 1, 2024 | \$ 1,046,023 | \$ 1,076,720 | \$ 15,276 | \$ 27,581 | (\$ 552,117) | (\$ 259) | \$ 1,613,224 | \$ 35,847 | \$ 1,649,071 |
| Loss for the year | - | - | - | - | (207,116) | - | (207,116) | (20,449) | (227,565) |
| Other comprehensive income for the year | - | - | - | - | 831 | 3,722 | 4,553 | 3,138 | 7,691 |
| Total comprehensive income (loss) | - | - | - | - | (206,285) | 3,722 | (202,563) | (17,311) | (219,874) |
| Issuance of shares by subsidiary | 6(25) | - | - | - | - | - | - | 58,455 | 58,455 |
| Donated assets received | - | - | 205 | - | - | - | 205 | - | 205 |
| Balance at December 31, 2024 | \$ 1,046,023 | \$ 1,076,720 | \$ 15,481 | \$ 27,581 | (\$ 758,402) | \$ 3,463 | \$ 1,410,866 | \$ 76,991 | \$ 1,487,857 |
| <u>Year ended December 31, 2025</u> | | | | | | | | | |
| Balance at January 1, 2025 | \$ 1,046,023 | \$ 1,076,720 | \$ 15,481 | \$ 27,581 | (\$ 758,402) | \$ 3,463 | \$ 1,410,866 | \$ 76,991 | \$ 1,487,857 |
| Loss for the year | - | - | - | - | (73,599) | - | (73,599) | (2,446) | (76,045) |
| Other comprehensive income for the year | - | - | - | - | 535 | 2,453 | 2,988 | 2,153 | 5,141 |
| Total comprehensive income (loss) | - | - | - | - | (73,064) | 2,453 | (70,611) | (293) | (70,904) |
| Share-based payments | 6(15)(22) | - | 2,232 | - | - | - | 2,232 | - | 2,232 |
| Non-controlling interests | 6(25) | - | - | - | - | - | - | 98,543 | 98,543 |
| Balance at December 31, 2025 | \$ 1,046,023 | \$ 1,076,720 | \$ 17,713 | \$ 27,581 | (\$ 831,466) | \$ 5,916 | \$ 1,342,487 | \$ 175,241 | \$ 1,517,728 |

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

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|--|-----------|------------------------|---------------|
| | | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (\$ 40,609) | (\$ 226,358) |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(22) | 105,646 | 100,269 |
| Amortization | 6(22) | 5,631 | 5,653 |
| Expected credit (gain) loss | 6(4) | (250) | 1,413 |
| Net gain on financial assets or liabilities at fair value through profit or loss | 6(2)(20) | (344) | (201) |
| Interest expense | 6(21) | 13,003 | 15,767 |
| Interest income | | (1,220) | (2,052) |
| Share of loss of associates and joint ventures accounted for using equity method | 6(7) | 6,722 | 7,422 |
| Loss on disposal of property, plant and equipment | 6(20) | 2,199 | 3,475 |
| Gain on disposal of non-current assets classified as held for sale | 6(20) | (94,397) | - |
| Impairment loss on property, plant and equipment | 6(20) | - | 9,390 |
| Share-based payments | 6(15)(22) | 2,232 | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Current financial assets at fair value through profit or loss | | 83,441 | (92,776) |
| Accounts receivable | | (172,731) | 121,074 |
| Inventory | | 30,525 | 118,171 |
| Prepayments | | (5,960) | 9,986 |
| Other current assets | | (8,130) | (10,364) |
| Other non-current assets | | (614) | (105) |
| Changes in operating liabilities | | | |
| Financial liabilities at fair value through profit or loss | | (1,145) | (11) |
| Accounts payable | | 34,755 | (56,309) |
| Other payables (including related parties) | | 5,988 | (108,882) |
| Other current liabilities | | 6 | (966) |
| Cash outflow generated from operations | | (35,252) | (105,404) |
| Interest received | | 1,220 | 2,052 |
| Interest paid | | (12,504) | (15,208) |
| Income taxes refund | | 65 | 158 |
| Net cash flows used in operating activities | | (46,471) | (118,402) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from disposal of financial assets at amortised cost | | 3,123 | 5,096 |
| Net cash flow from acquisition of subsidiaries | | (54,012) | - |
| Proceeds from disposal of non-current assets classified as held for sale | | 509,598 | - |
| Acquisition of property, plant and equipment | 6(26) | (53,240) | (75,623) |
| Proceeds from disposal of property, plant and equipment | | 530 | 4,879 |
| Acquisition of intangible assets | 6(27) | (2,294) | - |
| Decrease in refundable deposits | | 1,287 | 1,153 |
| Net cash flows from (used in) investing activities | | 404,992 | (64,495) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in short-term loans | 6(28) | 80,874 | 30,000 |
| Decrease in short-term loans | 6(28) | (86,927) | (17,308) |
| Proceeds from long-term debt | 6(28) | 75,000 | 80,000 |
| Repayments of long-term debt | 6(28) | (372,560) | (81,638) |
| Payments of lease liabilities | 6(28) | (9,802) | (8,372) |
| Donated assets received | | - | 205 |
| Change in non-controlling interests | 6(25) | 79,038 | 58,455 |
| Net cash flows (used in) from financing activities | | (234,377) | 61,342 |
| Effects of exchange rate changes on cash | | 1,868 | 4,785 |
| Net increase (decrease) in cash and cash equivalents | | 126,012 | (116,770) |
| Cash and cash equivalents at beginning of year | | 71,167 | 187,937 |
| Cash and cash equivalents at end of year | | \$ 197,179 | \$ 71,167 |

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

AMULAIRE THERMAL TECHNOLOGY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Amulaire Thermal Technology, Inc. (the “Company”) was established in June 2011. The Company is primarily engaged in manufacturing and sales of vehicles and electronic components by using several molding technologies. The Company has been listed on the Taiwan Stock Exchange since August 26, 2020.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 4, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|--|---|
| Amendments to IAS 21, ‘Lack of exchangeability’ | January 1, 2025 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Specific provisions of 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 |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information' | January 1, 2023 |
| Annual Improvements to IFRS Accounting Standards—Volume 11 | January 1, 2026 |

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

| New Standards, Interpretations and Amendments | 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 International Accounting Standards Board |
| IFRS 18, 'Presentation and disclosure in financial statements' | 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 FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Defined benefit assets recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) | | Description |
|-----------------------------------|--|---|-------------------|-------------------|-------------|
| | | | December 31, 2025 | December 31, 2024 | |
| Amulaire Thermal Technology, Inc. | Amulaire Thermal Technology (Japan) Inc. | Sales of vehicles and electronic components | 100% | 100% | |
| Amulaire Thermal Technology, Inc. | Zhejiang Amulaire Thermal Technology Co., Ltd. | Manufacturing and sales of vehicles and electronic components | 55% | 55% | |
| Amulaire Thermal Technology, Inc. | Ever Superior Technologies Corporation | Surface treatment of metal product | 81.47% | - | Note |

Note: The Group originally held 30% of shares of Ever Superior Technologies Corporation. After the Group's participation in the cash capital increase in Ever Superior Technologies Corporation in the amount of \$100,000 on September 26, 2025, the shares held by the Group achieved 81.47%. Therefore, Ever Superior Technologies Corporation was included as a consolidated entity of the Group from that date. Refer to Note 6(26) for details.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$175,241 and \$76,991, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

| Name of subsidiary | Principal place of business | Non-controlling interest December 31, 2025 | | Non-controlling interest December 31, 2024 | | Description |
|--|-----------------------------|--|---------------|--|---------------|-------------|
| | | Amount | Ownership (%) | Amount | Ownership (%) | |
| Zhejiang Amulaire Thermal Technology Co., Ltd. | China | \$ 156,939 | 45% | \$ 76,991 | 45% | |

Summarised financial information of the subsidiary:

Balance sheets

| | Zhejiang Amulaire Thermal Technology Co., Ltd. | |
|---------------------|--|-------------------|
| | December 31, 2025 | December 31, 2024 |
| Current assets | \$ 302,135 | \$ 67,609 |
| Non-current assets | 140,448 | 112,789 |
| Current liabilities | (93,829) | (9,306) |
| Total net assets | \$ 348,754 | \$ 171,092 |

Statements of comprehensive income

| | Zhejiang Amulaire Thermal Technology Co., Ltd. | |
|--|--|-------------|
| | Years ended December 31, | |
| | 2025 | 2024 |
| Revenue | \$ 173,766 | \$ 31,745 |
| Loss before income tax | (\$ 2,762) | (\$ 45,442) |
| Income tax expense | - | - |
| Loss for the year | (2,762) | (45,442) |
| Other comprehensive income, net of tax | 4,784 | 6,975 |
| Total comprehensive income (loss) for the year | \$ 2,022 | (\$ 38,467) |
| Comprehensive income (loss) attributable to non-controlling interest | \$ 910 | (\$ 17,311) |

Statements of cash flows

| | Zhejiang Amulaire Thermal Technology Co., Ltd. | |
|---|--|-------------|
| | Years ended December 31, | |
| | 2025 | 2024 |
| Net cash used in operating activities | (\$ 28,612) | (\$ 51,133) |
| Net cash used in investing activities | (45,080) | (73,784) |
| Net cash provided by financing activities | 175,640 | 116,437 |
| Effect of exchange rates on cash and cash equivalents | 4,784 | 6,975 |
| Increase (decrease) in cash and cash equivalents | 106,732 | (1,505) |
| Cash and cash equivalents, beginning of year | 5,123 | 6,628 |
| Cash and cash equivalents, end of year | \$ 111,855 | \$ 5,123 |

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) 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. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets held primarily for trading purpose;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) 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 definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes and accounts receivable

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

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. 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 Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised 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 Group.
- E. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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. The estimated useful lives of property, plant and equipment are as follows:

| | |
|--------------------------|------------|
| Buildings and structures | 3~51 years |
| Machinery and equipment | 1~12 years |
| Office equipment | 1~11 years |
| Leasehold improvements | 8 years |

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(17) Intangible assets

- A. Goodwill: Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Acquired special technology: Acquired special technology arises in a business combination accounted for by applying the acquisition method. Acquired special technology is amortised on a straight-line basis over its estimated useful life of 12 years.
- C. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 10 years.

(18) Impairment of non-financial assets

- A. The Group 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 recognised 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 costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts payable

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

(21) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Employee benefits

A. 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 recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. 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 recognised 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 determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised 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 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.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. 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 and its subsidiaries operate and generate taxable income. Management periodically evaluates positions 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 stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred 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 give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(26) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) Revenue recognition

Sales of goods

- A. The Group manufactures and sells related products of vehicles and electronic components using several molding technology. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is 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 the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Sales revenue is recognised based on the price specified in the contract, net of the estimated volume discounts as well as sales discounts and allowances and the volume discounts are usually based on the contract terms agreed. The sales usually are made with a credit term of 60 to 90 days. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Business Combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group 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 realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and revolving funds | \$ 301 | \$ 301 |
| Checking accounts and demand deposits | 196,878 | 58,408 |
| Time deposits | - | 12,458 |
| | <u>\$ 197,179</u> | <u>\$ 71,167</u> |

- A. The abovementioned 3-month time deposits pertain to investments with high liquidity.
- B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets / liabilities at fair value through profit or loss

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Current items: | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Beneficiary certificates | \$ 11,000 | \$ 93,590 |
| Derivative instruments | 36 | 233 |
| | <u>\$ 11,036</u> | <u>\$ 93,823</u> |
| Financial liabilities mandatorily measured at fair value through profit or loss | | |
| Derivative instruments-foreign exchange forward contract | <u>\$ -</u> | <u>\$ 835</u> |

- A. Amounts recognised in profit or loss in relation to financial assets / liabilities at fair value through profit or loss are listed below:

| | <u>Years ended December 31,</u> | |
|--------------------------|---------------------------------|---------------|
| | <u>2025</u> | <u>2024</u> |
| Beneficiary certificates | \$ 654 | \$ 1,047 |
| Derivative | (310) | (846) |
| | <u>\$ 344</u> | <u>\$ 201</u> |

B. The Group entered into contracts relating to derivative financial liabilities which were not accounted for under hedge accounting. The information is listed below:

| Derivative financial instruments | December 31, 2024 | |
|--|---|---------------------|
| | Contract amount (in thousands) (notional principal) | Contract period |
| Current items: | | |
| Foreign exchange forward contract-sell USD and buy TWD | USD 1,560 | 2024.12.9~2025.3.20 |

There were no such circumstances as of December 31, 2025.

The Group entered into foreign exchange forward contracts transactions to hedge the exchange rate risk of import and export proceeds. However, these foreign exchange swap transactions are not accounted for under hedge accounting.

C. The Group has no financial assets / liabilities at fair value through profit or loss pledged to others as collateral.

D. Information relating to credit risk of financial assets/liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Reserve accounts of demand deposits | \$ 2,681 | \$ - |
| Restricted time deposits | - | 4,013 |
| Time deposits with original maturity date exceeding three months | - | 1,791 |
| | <u>\$ 2,681</u> | <u>\$ 5,804</u> |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

| | 2025 | 2024 |
|-----------------|--------------|---------------|
| Interest income | <u>\$ 46</u> | <u>\$ 327</u> |

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the carrying amount of financial assets recognised.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------|--------------------------|--------------------------|
| Accounts receivable | \$ 325,961 | \$ 153,230 |
| Less: Allowance for bad debts | (2,591) | (2,841) |
| | <u>\$ 323,370</u> | <u>\$ 150,389</u> |

- A. In principle, the average payment term granted to customers is due 60~90 days from the invoice date. Except for provisioned impairment loss for individual customers who had credit impairment, the Group calculates expected loss rate and recognises allowance for bad debts based on historical results, consideration of customers' default records and current financial status as well as industry economic situation. The Group also recognised full amount of allowance for uncollectible accounts over 150 days past due and without collateral.
- B. The ageing analysis of accounts receivable is as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------|--------------------------|--------------------------|
| Not past due | \$ 265,590 | \$ 117,430 |
| Up to 30 days | 19,535 | 30,979 |
| 31 to 90 days | 30,267 | 1,616 |
| Over 91 days | 10,569 | 3,205 |
| | <u>\$ 325,961</u> | <u>\$ 153,230</u> |

The above ageing analysis was based on past due date.

- C. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables from contracts with customers amounted to \$325,961, \$153,230 and \$274,304, respectively. As at the end of the reporting period, without considering any collateral held or other credit enhancements, the maximum credit risk in respect of the financial loss amount incurred by unsatisfied performance obligations of counterparty is the book value of financial assets recognised by the Group.
- D. The Group estimates the allowance for accounts receivable based on historical and timely information. As of December 31, 2025 and 2024, the loss rate methodology and provision matrix is as follows:

| | <u>Not past due</u> | <u>Up to 30 days past due</u> | <u>31~90 days past due</u> | <u>Over 91 days past due</u> | <u>Total</u> |
|---------------------------|---------------------|-------------------------------|----------------------------|------------------------------|-------------------|
| <u>December 31, 2025</u> | | | | | |
| Expected loss rate | 0.37% | 1.09% | 2.38%~4.49% | 7.96%~100% | |
| Total accounts receivable | <u>\$ 265,590</u> | <u>\$ 19,535</u> | <u>\$ 30,267</u> | <u>\$ 10,569</u> | <u>\$ 325,961</u> |
| | | | | | |
| <u>December 31, 2024</u> | | | | | |
| Expected loss rate | 0.44% | 0.68% | 1.96%~3.9% | 6.78%~100% | |
| Total accounts receivable | <u>\$ 117,430</u> | <u>\$ 30,979</u> | <u>\$ 1,616</u> | <u>\$ 3,205</u> | <u>\$ 153,230</u> |

E. Movements schedule in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| | Accounts receivable | Accounts receivable |
| At January 1 | \$ 2,841 | \$ 1,428 |
| (Reversal of) provision for impairment loss | (250) | 1,413 |
| At December 31 | <u>\$ 2,591</u> | <u>\$ 2,841</u> |

F. The Group does not hold any collateral.

G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

| | December 31, 2025 | | |
|------------------|-------------------|---------------------------------|-------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 99,650 | (\$ 12,811) | \$ 86,839 |
| Work in progress | 79,255 | (9,625) | 69,630 |
| Finished goods | 97,762 | (20,613) | 77,149 |
| | <u>\$ 276,667</u> | <u>(\$ 43,049)</u> | <u>\$ 233,618</u> |
| | December 31, 2024 | | |
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 97,761 | (\$ 10,683) | \$ 87,078 |
| Work in progress | 69,811 | (11,955) | 57,856 |
| Finished goods | 128,819 | (15,335) | 113,484 |
| | <u>\$ 296,391</u> | <u>(\$ 37,973)</u> | <u>\$ 258,418</u> |

The cost of inventories recognised as expense for the year:

| | Years ended December 31, | |
|---|--------------------------|-------------------|
| | 2025 | 2024 |
| Cost of goods sold | \$ 633,752 | \$ 543,011 |
| Loss on inventory decline in market value | 5,076 | 10,716 |
| Unallocated fixed manufacturing overhead | 119,268 | 132,612 |
| | <u>\$ 758,096</u> | <u>\$ 686,339</u> |

(6) Non-current assets held for sale

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Land held for sale | \$ - | \$ 238,365 |
| Buildings and structures held for sale | - | 176,080 |
| Machinery held for sale | - | 756 |
| | <u>\$ -</u> | <u>\$ 415,201</u> |

- A. For certain land and buildings located in Tongluo, Miaoli held by the Group, the Group assessed the optimal utilization of the assets in response to changes in the overall business environment, and thus transferred the related assets to non-current assets held for sale for the year ended December 31, 2023.
- B. On March 25, 2025, the Company's Board of Directors resolved to sell the aforementioned land and buildings for a total consideration of \$518,000. The transfer procedure of the land and plant was completed on June 19, 2025, and the gain on disposal of non-current assets held for sale amounting to \$94,397 was recognised. The aforementioned transaction amounts had been fully collected in July 2025.
- C. The carrying amount of non-current assets held for sale was lower than the fair value less costs to sell based on the assessment. Thus, no impairment has occurred. Information relating to fair value of the non-current assets held for sale is provided in Note 12(3).
- D. Information about the non-current assets held for sale that were pledged to others as collateral is provided in Note 8.

(7) Investments accounted for using equity method

| | <u>2025</u> | <u>2024</u> |
|--|-------------|-----------------|
| At January 1 | \$ 9,917 | \$ 17,339 |
| Disposal of investments accounted for using equity method | (3,195) | - |
| Share of profit or loss of investments accounted for using equity method | (6,722) | (7,422) |
| At December 31 | <u>\$ -</u> | <u>\$ 9,917</u> |

- A. The basic information of the associate that is material to the Group is as follows:

| <u>Company name</u> | <u>Principal place of business</u> | <u>Registered location</u> | <u>Nature of relationship</u> | <u>Method of measurement</u> | <u>Shareholding ratio</u> | |
|--|------------------------------------|----------------------------|-------------------------------|------------------------------|---------------------------|--------------------------|
| | | | | | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
| Ever Superior Technologies Corporation | Taiwan | Taiwan | Strategic investment | Equity method | Note | 30% |

Notes : The Group originally held 30% of shares of Ever Superior Technologies Corporation. After the Group's participation in the cash capital increase in Ever Superior Technologies Corporation in the amount of \$100,000 on September 26, 2025, the shares held by the Group achieved 81.47%. Therefore, Ever Superior Technologies Corporation was included as a consolidated entity of the Group from that date. Refer to Note 6(26) for details.

B. The summarised financial information of the associate that is material to the Group is as follows:

Balance sheet

| | <u>December 31, 2024</u> | |
|----------------------------------|--------------------------|---------------|
| Current assets | \$ | 19,377 |
| Non-current assets | | 160,798 |
| Current liabilities | (| 113,386) |
| Non-current liabilities | (| 33,732) |
| Total net assets | \$ | <u>33,057</u> |
| Carrying amount of the associate | \$ | <u>9,917</u> |

Statement of comprehensive income

| | <u>Ever Superior Technologies Corporation</u> | |
|---|---|-------------------------------------|
| | <u>January 1, 2025 to</u> | <u>Year ended December 31, 2024</u> |
| | <u>September 26, 2025</u> | |
| Revenue | \$ 39,531 | \$ 55,220 |
| Loss for the period from continuing operations | (\$ 22,407) | (\$ 24,741) |
| Total comprehensive loss | <u>(\$ 22,407)</u> | <u>(\$ 24,741)</u> |

(8) Property, plant and equipment

| | Land | Buildings and structures | Machinery | Office equipment | Leasehold improvements | Construction in progress and equipment to be inspected | Total |
|--|-------------------|-----------------------------|-------------------|---------------------|---------------------------|---|---------------------|
| <u>At January 1, 2025</u> | | | | | | | |
| Cost | \$ 469,977 | \$ 529,510 | \$ 722,164 | \$ 16,891 | \$ 59,113 | \$ 7,684 | \$ 1,805,339 |
| Accumulated depreciation and impairment | - | (134,857) | (381,861) | (12,219) | (25,629) | - | (554,566) |
| | <u>\$ 469,977</u> | <u>\$ 394,653</u> | <u>\$ 340,303</u> | <u>\$ 4,672</u> | <u>\$ 33,484</u> | <u>\$ 7,684</u> | <u>\$ 1,250,773</u> |
| <u>2025</u> | | | | | | | |
| Opening net book amount as at January 1 | \$ 469,977 | \$ 394,653 | \$ 340,303 | \$ 4,672 | \$ 33,484 | \$ 7,684 | \$ 1,250,773 |
| Additions (including transfers) | - | 1,234 | 53,585 | 94 | 2,973 | (1,682) | 56,204 |
| Acquired from business combinations | - | - | 105,617 | 1,798 | - | 33,313 | 140,728 |
| Disposals | | | | | | | |
| - Cost | - | - | (58,793) | - | - | - | (58,793) |
| - Accumulated depreciation and impairment | - | - | 56,064 | - | - | - | 56,064 |
| Depreciation charge | - | (17,731) | (71,330) | (2,150) | (5,165) | - | (96,376) |
| Net exchange differences | - | - | 1,172 | (18) | 111 | (2) | 1,263 |
| Closing net book amount as at December 31 | <u>\$ 469,977</u> | <u>\$ 378,156</u> | <u>\$ 426,618</u> | <u>\$ 4,396</u> | <u>\$ 31,403</u> | <u>\$ 39,313</u> | <u>\$ 1,349,863</u> |
| <u>At December 31, 2025</u> | | | | | | | |
| Cost | \$ 469,977 | \$ 530,743 | \$ 857,477 | \$ 21,494 | \$ 62,280 | \$ 39,313 | \$ 1,981,284 |
| Accumulated depreciation and impairment | - | (152,587) | (430,859) | (17,098) | (30,877) | - | (631,421) |
| | <u>\$ 469,977</u> | <u>\$ 378,156</u> | <u>\$ 426,618</u> | <u>\$ 4,396</u> | <u>\$ 31,403</u> | <u>\$ 39,313</u> | <u>\$ 1,349,863</u> |

| | Land | Buildings and structures | Machinery | Office equipment | Leasehold improvements | Construction in progress and equipment to be inspected | Total |
|--|-------------------|-----------------------------|-------------------|---------------------|---------------------------|---|---------------------|
| <u>At January 1, 2024</u> | | | | | | | |
| Cost | \$ 477,520 | \$ 526,164 | \$ 608,699 | \$ 14,557 | \$ 38,853 | \$ 51,697 | \$ 1,717,490 |
| Accumulated depreciation and impairment | - | (117,420) | (306,059) | (10,001) | (21,017) | - | (454,497) |
| | <u>\$ 477,520</u> | <u>\$ 408,744</u> | <u>\$ 302,640</u> | <u>\$ 4,556</u> | <u>\$ 17,836</u> | <u>\$ 51,697</u> | <u>\$ 1,262,993</u> |
| <u>2024</u> | | | | | | | |
| Opening net book amount as at January 1 | \$ 477,520 | \$ 408,744 | \$ 302,640 | \$ 4,556 | \$ 17,836 | \$ 51,697 | \$ 1,262,993 |
| Additions (including transfers) | - | 3,346 | 114,256 | 2,292 | 20,151 | (44,629) | 95,416 |
| Disposals | | | | | | | |
| - Cost | (7,543) | - | (2,377) | - | - | - | (9,920) |
| - Accumulated depreciation and impairment | - | - | 1,566 | - | - | - | 1,566 |
| Depreciation charge | - | (17,437) | (67,725) | (2,202) | (4,604) | - | (91,968) |
| Impairment loss | - | - | (9,390) | - | - | - | (9,390) |
| Net exchange differences | - | - | 1,333 | 26 | 101 | 616 | 2,076 |
| Closing net book amount as at December 31 | <u>\$ 469,977</u> | <u>\$ 394,653</u> | <u>\$ 340,303</u> | <u>\$ 4,672</u> | <u>\$ 33,484</u> | <u>\$ 7,684</u> | <u>\$ 1,250,773</u> |
| <u>At December 31, 2024</u> | | | | | | | |
| Cost | \$ 469,977 | \$ 529,510 | \$ 722,164 | \$ 16,891 | \$ 59,113 | \$ 7,684 | \$ 1,805,339 |
| Accumulated depreciation and impairment | - | (134,857) | (381,861) | (12,219) | (25,629) | - | (554,566) |
| | <u>\$ 469,977</u> | <u>\$ 394,653</u> | <u>\$ 340,303</u> | <u>\$ 4,672</u> | <u>\$ 33,484</u> | <u>\$ 7,684</u> | <u>\$ 1,250,773</u> |

A. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

B. For the year ended December 31, 2024, part of the Group's equipment was idle due to the update of the production process, and it was assessed that there was an indication of impairment, so the Group recognised impairment loss amounting to \$9,390.

(9) Intangible assets

| | Computer software | Acquired special technology | Goodwill | Total |
|--|----------------------|--------------------------------|-----------------|------------------|
| January 1, 2025 | | | | |
| Cost | \$ 55,649 | \$ - | \$ 10,926 | \$ 66,575 |
| Accumulated amortisation and impairment | (29,559) | - | (10,926) | (40,485) |
| | <u>\$ 26,090</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 26,090</u> |
| <u>2025</u> | | | | |
| January 1 | \$ 26,090 | \$ - | \$ - | \$ 26,090 |
| Additions | 2,294 | - | - | 2,294 |
| Acquired from business combinations | 1,563 | 15,464 | 1,750 | 18,777 |
| Amortisation charge | (5,309) | (322) | - | (5,631) |
| December 31 | <u>\$ 24,638</u> | <u>\$ 15,142</u> | <u>\$ 1,750</u> | <u>\$ 41,530</u> |
| December 31, 2025 | | | | |
| Cost | \$ 59,756 | \$ 15,464 | \$ 12,676 | \$ 87,896 |
| Accumulated amortisation and impairment | (35,118) | (322) | (10,926) | (46,366) |
| | <u>\$ 24,638</u> | <u>\$ 15,142</u> | <u>\$ 1,750</u> | <u>\$ 41,530</u> |

| | Computer software | Goodwill | Total |
|--|----------------------|-------------|------------------|
| January 1, 2024 | | | |
| Cost | \$ 55,649 | \$ 10,926 | \$ 66,575 |
| Accumulated amortisation and impairment | (23,906) | (10,926) | (34,832) |
| | <u>\$ 31,743</u> | <u>\$ -</u> | <u>\$ 31,743</u> |
| <u>2024</u> | | | |
| January 1 | \$ 31,743 | \$ - | \$ 31,743 |
| Amortisation charge | (5,653) | - | (5,653) |
| December 31 | <u>\$ 26,090</u> | <u>\$ -</u> | <u>\$ 26,090</u> |
| December 31, 2024 | | | |
| Cost | \$ 55,649 | \$ 10,926 | \$ 66,575 |
| Accumulated amortisation and impairment | (29,559) | (10,926) | (40,485) |
| | <u>\$ 26,090</u> | <u>\$ -</u> | <u>\$ 26,090</u> |

A. Details of amortisation on intangible assets are as follows:

| | 2025 | 2024 |
|-------------------------------------|-----------------|-----------------|
| Operating costs | \$ 1,943 | \$ 1,944 |
| General and administrative expenses | 2,211 | 1,781 |
| Research and development expenses | 1,477 | 1,928 |
| | <u>\$ 5,631</u> | <u>\$ 5,653</u> |

B. The Group has no intangible assets pledged to others as collateral.

C. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Ever Superior Technologies Corporation | <u>\$ 1,750</u> | <u>\$ -</u> |

D. Impairment assessment of goodwill

- (a) The impairment assessment of goodwill relies on the management's subjective judgement, including identifying cash-generating units, and determining the recoverable amounts of related cash-generating units.
- (b) The Group assessed the impairment of recoverable amount for the goodwill at the end of financial reporting period and used the value-in-use as the basis for calculating the recoverable amount.
- (c) The value-in-use calculations use the management's cash flow projections based on financial budgets. Management determined budgeted gross margin and growth rate based on past performance and their expectations of market development. The discount rates used reflected specific risks relating to the operating segments and actual market of the time value of money.

(10) Leasing arrangements – lessee

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Right-of-use assets: | | |
| Buildings and structures | \$ 25,849 | \$ 28,296 |
| Transportation equipment (Business vehicles) | <u>2,064</u> | <u>657</u> |
| | <u>\$ 27,913</u> | <u>\$ 28,953</u> |
| Lease liabilities: | | |
| Current | \$ 12,314 | \$ 6,965 |
| Non-current | <u>20,077</u> | <u>26,289</u> |
| | <u>\$ 32,391</u> | <u>\$ 33,254</u> |

A. The Group leases various assets including buildings and business vehicles. Periods of rental contracts are typically 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The Group's short-term leases comprise employees' dormitory, cleaning equipment and certain offices, and low-value assets comprise copy machines.

C. The depreciation for right-of-use assets is as follows:

| | Years ended December 31, | |
|---|--------------------------|-----------------|
| | 2025 | 2024 |
| Buildings and structures | \$ 8,040 | \$ 5,957 |
| Transportation equipment (Business vehicles) | 1,230 | 2,344 |
| | <u>\$ 9,270</u> | <u>\$ 8,301</u> |

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$1,705 and \$0, respectively.

F. Excluding depreciation, the information on profit and loss accounts relating to lease contracts is as follows:

| | Years ended December 31, | |
|---------------------------------------|--------------------------|--------|
| | 2025 | 2024 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 499 | \$ 559 |
| Expense on short-term lease contracts | 2,818 | 777 |
| Expense on leases of low-value assets | 256 | 247 |

G. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$13,375 and \$9,955, respectively.

(11) Short-term borrowings

| <u>Type of borrowings</u> | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---------------------------|--------------------------|--------------------------|
| Bank borrowings | | |
| Secured borrowings | \$ 30,000 | \$ 30,000 |
| Unsecured borrowings | 39,283 | - |
| | <u>\$ 69,283</u> | <u>\$ 30,000</u> |
| | 2.29%~2.33% | 2.29% |

Information on collaterals pledged to others as securities for short-term borrowings is provided in Note 8.

(12) Other payables

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------------|--------------------------|--------------------------|
| Processing fees payable | \$ 32,833 | \$ 7,741 |
| Wages and salaries payable | 14,562 | 13,354 |
| Bonus payable | 8,873 | 9,963 |
| Payables on machinery and equipment | 1,029 | 3,922 |
| Others | 35,344 | 36,871 |
| | <u>\$ 92,641</u> | <u>\$ 71,851</u> |

(13) Long-term borrowings

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate</u> | <u>December 31, 2025</u> |
|---------------------------|--|----------------------|--------------------------|
| Secured borrowings | Repay the loan within 17 years monthly starting from June 2018 (including grace period of 2 years) | 2.05% | \$ 151,715 |
| | Repay the loan within 15 years monthly starting from June 2016 (including grace period of 4 years) | 2.05% | 138,109 |
| | Repay the loan within 7 years monthly starting from April 2022 (including grace period of 3 years) | 1.58% | 68,846 |
| | Repay the loan within 5 years monthly starting from December 2025 | 2.34% | 45,000 |
| | Repay the loan within 5 years monthly starting from September 2022 (including grace period of 2 years) | 2.22% | 28,633 |
| | Repay the loan within 3 years monthly starting from April 2025 | 2.75% | <u>22,500</u> |
| | | | 454,803 |
| Less: Current portion | | | (93,898) |
| | | | <u>\$ 360,905</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate</u> | <u>December 31, 2024</u> |
|---------------------------|--|----------------------|--------------------------|
| Secured borrowings | Repay the loan within 20 years monthly starting from July 2021 (including grace period of 2 years) | 2.05% | \$ 309,404 |
| | Repay the loan within 15 years monthly starting from June 2016 (including grace period of 4 years) | 2.05% | 161,588 |
| | Repay the loan within 17 years monthly starting from June 2018 (including grace period of 2 years) | 2.05% | 166,032 |
| | Repay the loan within 7 years monthly starting from April 2022 (including grace period of 3 years) | 1.58% | <u>82,615</u> |
| | | | 719,639 |
| Less: Current portion | | | (66,893) |
| | | | <u>\$ 652,746</u> |

A. As of December 31, 2025 and 2024, the unused long-term bank borrowing facilities of the Group were \$176,816 and \$670,111, respectively.

B. As of December 31, 2025 and 2024, in addition to the collaterals as described in Note 8, the Group had issued guarantees for the borrowing facilities amounting to \$66,450 and \$0, respectively.

C. Information on collaterals pledged to others as securities for long-term borrowings is provided in Note 8.

(14) Pensions

A. Defined benefit pension plans

(a) The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering service years of employees in Amulaire Thermal Technology, Inc. Taiwan Branch prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of abovementioned 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 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would annually assess the balance in the aforementioned labor pension reserve account by December 31, 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 Group will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| Present value of defined benefit obligations (\$ | 6,908) | (\$ 6,699) |
| Fair value of plan assets | 10,662 | 9,774 |
| Net defined benefit assets (Note) | <u>\$ 3,754</u> | <u>\$ 3,075</u> |

Note: Recognised in other non-current assets.

(c) Movements in net defined benefit (liabilities) assets are as follows:

| Year ended | Present value of defined benefit obligations | Fair value of plan assets | Net defined benefit (liabilities) asset |
|------------------------------------|--|------------------------------|--|
| December 31, 2025 | | | |
| Balance at January 1 | (\$ 6,699) | \$ 9,774 | \$ 3,075 |
| Current service cost | (95) | - | (95) |
| Interest (expense) income | (110) | 163 | 53 |
| | (6,904) | 9,937 | 3,033 |
| Remeasurements: | | | |
| Return on plan assets (Note) | - | 673 | 673 |
| Change in financial assumptions | (151) | - | (151) |
| Experience adjustments | 147 | - | 147 |
| | (4) | 673 | 669 |
| Pension fund contribution | - | 52 | 52 |
| Balance at December 31 | (\$ 6,908) | \$ 10,662 | \$ 3,754 |
| | | | |
| Year ended | Present value of defined benefit obligations | Fair value of plan assets | Net defined benefit (liabilities) asset |
| December 31, 2024 | | | |
| Balance at January 1 | (\$ 7,080) | \$ 9,011 | \$ 1,931 |
| Current service cost | (121) | - | (121) |
| Interest (expense) income | (89) | 114 | 25 |
| | (7,290) | 9,125 | 1,835 |
| Remeasurements: | | | |
| Return on plan assets (Note) | - | 791 | 791 |
| Change in financial assumptions | 259 | - | 259 |
| Experience adjustments | (11) | - | (11) |
| | 248 | 791 | 1,039 |
| Pension fund contribution | - | 201 | 201 |
| Paid pension | 343 | (343) | - |
| Balance at December 31 | (\$ 6,699) | \$ 9,774 | \$ 3,075 |

Note: Does not include the amount of interest income or expense.

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Group’s defined benefit pension plan in accordance with the Fund’s annual investment and utilisation plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund” (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than afore mentioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

| | Years ended December 31, | |
|-------------------------|--------------------------|-------|
| | 2025 | 2024 |
| Discount rate | 1.40% | 1.65% |
| Future salary increases | 2.00% | 2.00% |

Assumptions regarding future mortality rate are estimated based on the Taiwan Life Insurance Industry 2nd Annuity Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

| | Discount rate | | Future salary increases | |
|---|----------------|----------------|-------------------------|-------------|
| | Increase 0.25% | Decrease 0.25% | Increase 1% | Decrease 1% |
| <u>December 31, 2025</u> | | | | |
| Effect on present value of defined benefit obligation | (\$ 151) | \$ 157 | \$ 652 | (\$ 578) |
| <u>December 31, 2024</u> | | | | |
| Effect on present value of defined benefit obligation | (\$ 155) | \$ 160 | \$ 668 | (\$ 592) |

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change at once. The method of analysing sensitivity and the method of calculating net defined benefit assets in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$53.
 - (g) As of December 31, 2025, the weighted average duration of the retirement plan is 12.3 years.
- B. Defined contribution pension plans
- (a) Effective July 1, 2005, the Company and Ever Superior Technologies Corporation 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 and its domestic subsidiaries 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 benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (b) Zhejiang Amulaire Thermal Technology Co., Ltd. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
 - (c) Amulaire Thermal Technology (Japan), Inc. has a defined contribution plan in accordance with the local regulations, and contributions to endowment insurance are based on employees’ salaries and wages. Other than the annual contributions, the entity has no further obligations.
 - (d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$7,158 and \$8,901, respectively.

(15) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Group’s share-based payment arrangements were as follows:

| <u>Type of arrangement</u> | <u>Grant date</u> | <u>Quantity granted (in thousands)</u> | <u>Period</u> | <u>Vesting conditions</u> |
|--|-------------------|--|---------------------|---------------------------|
| Sixth employee stock options compensation plan | 2025.9.24 | 3,000 | 2 years 6 months | Service of 2 years |

B. Details of the employee stock options compensation plan are as follows:

| | <u>Year ended December 31, 2025</u> | |
|--|-------------------------------------|--|
| | No. of shares (in thousands) | Weighted- average exercise price (in dollars) |
| Options outstanding at the beginning of year | - | \$ - |
| Options granted | <u>30,000</u> | 36 |
| Options outstanding at the end of year | <u>30,000</u> | 36 |
| Options exercisable at the end of year | <u>-</u> | - |

There were no such transactions for the year ended December 31, 2024.

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

| | | <u>December 31, 2025</u> | |
|----------------------------|--------------------|---|--------------------------------|
| <u>Issue date approved</u> | <u>Expiry date</u> | Number of shares (shares in thousands) | Exercise price (in dollars) |
| September 24, 2025 | March 24, 2028 | 3,000 | \$ 36 |

There were no stock options outstanding as of December 31, 2024.

D. The Group estimated the fair value on the grant date using the Black-Scholes option-pricing model. Details are as follows:

| <u>Type of arrangement</u> | <u>Grant date</u> | Stock price (in dollars) | Exercise price (in dollars) | Expected price volatility | Expected vesting period | Expected dividend yield rate | Risk-free interest rate | Fair value per unit (in dollars) |
|--|-------------------|-----------------------------|--------------------------------|------------------------------|----------------------------|---------------------------------|-------------------------------|--|
| Sixth employee stock options compensation plan | 2025.9.24 | \$ 29 | \$ 36 | 41.93% | 2.25 years | - | 1.22% | \$ 5.61 |

E. Compensation costs incurred on the share-based payment transactions of the employee stock option plan for the years ended December 31, 2025 and 2024 were \$2,232 and \$0, respectively.

(16) Share capital

A. The Group's authorized capital was \$1,500,000, consisting of 150,000 thousand shares of ordinary stock (including 10,000 thousand shares reserved for employee stock options), and the paid-in capital was \$1,046,023 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

| | <u>2025</u> | <u>2024</u> |
|----------------------------|----------------|----------------|
| At January 1 (December 31) | <u>104,602</u> | <u>104,602</u> |

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks 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 R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Accumulated losses

- A. Under the Group's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with related laws and competent authority, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.
- B. For the Group's dividend policy, the shareholders' interest is given priority, and the Group's current and future development plans are considered, as well as domestic industry competition, investing environment, and capital needs. Dividends are distributed in the form of shares or cash. The general standards of the dividend distribution in the industry and capital market are used as the basis for distribution. However, cash dividends shall account for at least 10% of the total dividends. The form and ratio of distribution are subject to the actual net income and capital position and are proposed by the Board of Directors and resolved by shareholders.
- C. Except for covering accumulated deficit, distributing dividends or increasing capital, the legal reserve shall not be used for any other purpose. Capitalization of or distributing dividends from the legal reserve is permitted, provided that the Company has no deficit and the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. 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.
- E. The deficit compensation for the year ended December 31, 2024 was resolved and approved by the shareholders in May 2025.
- F. The deficit compensation for the year ended December 31, 2023 was resolved and approved by the shareholders in May 2024.

(19) Operating revenue

| | Years ended December 31, | |
|---------------------------------------|--------------------------|------------|
| | 2025 | 2024 |
| Revenue from contracts with customers | \$ 785,614 | \$ 689,030 |

A. The Group derives revenue from the transfer of goods and services at a point in time, and the Group's revenue mainly arises from Poland, Germany, China and Japan.

B. The Group has recognised the following revenue-related contract liabilities (shown as other current liabilities):

| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
|----------------------|-------------------|-------------------|-----------------|
| Contract liabilities | \$ 445 | \$ 687 | \$ 662 |

For the years ended December 31, 2025 and 2024, revenues recognised that were included in the contract liabilities balance at the beginning of the year were \$169 and \$662, respectively.

(20) Other gains and losses

| | Years ended December 31, | |
|---|--------------------------|-----------|
| | 2025 | 2024 |
| Foreign exchange gains | \$ 6,001 | \$ 16,024 |
| Gain on financial liabilities at fair value through profit or loss | 344 | 201 |
| Impairment loss on property, plant and equipment | - | (9,390) |
| Disposal loss recognised in profit or loss, property, plant and equipment | (2,199) | (3,475) |
| Gains on disposal of investments (Note) | 5,164 | - |
| Gains on disposal of non-current assets held for sale | 94,397 | - |
| Others | (93) | (325) |
| | \$ 103,614 | \$ 3,035 |

Note: Details of gains on disposal of investments are provided in Note 6(26) C.

(21) Finance costs

| | Years ended December 31, | |
|--------------------------------------|--------------------------|-----------|
| | 2025 | 2024 |
| Interest income from bank borrowings | \$ 12,504 | \$ 15,208 |
| Interest expense on lease liability | 499 | 559 |
| | \$ 13,003 | \$ 15,767 |

(22) Expenses by nature

| | Year ended December 31, 2025 | | |
|----------------------------------|------------------------------|---------------------------|-------------------|
| | <u>Operating costs</u> | <u>Operating expenses</u> | <u>Total</u> |
| Employee benefit expense | | | |
| Wages and salaries | \$ 111,073 | \$ 61,030 | \$ 172,103 |
| Share-based payment | 378 | 1,854 | 2,232 |
| Labour and health insurance fees | 10,202 | 5,450 | 15,652 |
| Pension costs | 3,990 | 3,210 | 7,200 |
| Directors' remuneration | - | 560 | 560 |
| Other personnel expenses | 12,465 | 6,600 | 19,065 |
| | <u>\$ 138,108</u> | <u>\$ 78,704</u> | <u>\$ 216,812</u> |
| Depreciation | <u>\$ 82,981</u> | <u>\$ 22,665</u> | <u>\$ 105,646</u> |
| Amortisation | <u>\$ 1,943</u> | <u>\$ 3,688</u> | <u>\$ 5,631</u> |
| | | | |
| | Year ended December 31, 2024 | | |
| | <u>Operating costs</u> | <u>Operating expenses</u> | <u>Total</u> |
| Employee benefit expense | | | |
| Wages and salaries | \$ 113,663 | \$ 77,881 | \$ 191,544 |
| Labour and health insurance fees | 10,675 | 7,616 | 18,291 |
| Pension costs | 4,700 | 4,297 | 8,997 |
| Directors' remuneration | - | 490 | 490 |
| Other personnel expenses | 8,605 | 3,330 | 11,935 |
| | <u>\$ 137,643</u> | <u>\$ 93,614</u> | <u>\$ 231,257</u> |
| Depreciation | <u>\$ 77,285</u> | <u>\$ 22,984</u> | <u>\$ 100,269</u> |
| Amortisation | <u>\$ 1,944</u> | <u>\$ 3,709</u> | <u>\$ 5,653</u> |

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 5~15% for employees' compensation and shall not be higher than 3% for directors' remuneration. The Company shall distribute 20%~45% of the aforementioned employees' compensation for the distribution of the non-managerial employees' compensation.
- B. No employees' compensation and directors' remuneration were accrued due to the net loss before tax incurred for the years ended December 31, 2025 and 2024.
- C. Information about employees' compensation and directors' and supervisors' remuneration of the Group as resolved by Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Components of income tax expense

(a) Components of income tax expense

| | Years ended December 31, | |
|---|--------------------------|-----------------|
| | 2025 | 2024 |
| Current tax: | | |
| Current tax on profits for the year | \$ 32,759 | \$ - |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 2,677 | 1,207 |
| Income tax expense | <u>\$ 35,436</u> | <u>\$ 1,207</u> |

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

| | Years ended December 31, | |
|--|--------------------------|---------------|
| | 2025 | 2024 |
| Remeasurement of defined benefit obligations | <u>\$ 134</u> | <u>\$ 208</u> |

B. Reconciliation between income tax expense and accounting profit

| | Years ended December 31, | |
|--|--------------------------|-----------------|
| | 2025 | 2024 |
| Tax calculated based on loss before tax and statutory tax rate | (\$ 27,611) | (\$ 52,542) |
| Expenses disallowed by tax regulation | 214 | 134 |
| Tax exempt income by tax regulation | (8,640) | - |
| Taxable loss not recognised as deferred tax assets | 38,857 | 53,615 |
| Separate taxation | 32,616 | - |
| Income tax expense | <u>\$ 35,436</u> | <u>\$ 1,207</u> |

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

| | 2025 | | | |
|----------------------------|-------------------|------------------------------------|---|-------------------|
| | January 1 | Recognised in profit or loss | Recognised in other comprehensive income | December 31 |
| Temporary differences: | | | | |
| -Deferred tax assets: | | | | |
| Inventory valuation loss | \$ 6,746 | (\$ 380) | \$ - | \$ 6,366 |
| Investment income or loss | 10,201 | 242 | - | 10,443 |
| Impairment losses | 4,866 | (4,866) | - | - |
| Others | 1,201 | (450) | - | 751 |
| | <u>\$ 23,014</u> | <u>(\$ 5,454)</u> | <u>\$ -</u> | <u>\$ 17,560</u> |
| -Deferred tax liabilities: | | | | |
| Unrealised exchange gain | (\$ 4,640) | \$ 2,787 | \$ - | (\$ 1,853) |
| Others | (614) | (10) | (134) | (758) |
| | <u>(\$ 5,254)</u> | <u>\$ 2,777</u> | <u>(\$ 134)</u> | <u>(\$ 2,611)</u> |

| | 2024 | | | |
|----------------------------|-------------------|------------------------------------|---|-------------------|
| | January 1 | Recognised in profit or loss | Recognised in other comprehensive income | December 31 |
| Temporary differences: | | | | |
| -Deferred tax assets: | | | | |
| Inventory valuation loss | \$ 4,741 | \$ 2,005 | \$ - | \$ 6,746 |
| Investment income or loss | 12,673 | (2,472) | - | 10,201 |
| Impairment losses | 3,400 | 1,466 | - | 4,866 |
| Others | 1,050 | 151 | - | 1,201 |
| | <u>\$ 21,864</u> | <u>\$ 1,150</u> | <u>\$ -</u> | <u>\$ 23,014</u> |
| -Deferred tax liabilities: | | | | |
| Unrealised exchange gain | (\$ 2,053) | (\$ 2,587) | \$ - | (\$ 4,640) |
| Others | (636) | 230 | (208) | (614) |
| | <u>(\$ 2,689)</u> | <u>(\$ 2,357)</u> | <u>(\$ 208)</u> | <u>(\$ 5,254)</u> |

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

| December 31, 2025 | | | | | |
|---|-----------------------------------|----------------------|---|--------------------|------|
| <u>Year incurred</u> | <u>Amount filed/ assessed</u> | <u>Unused amount</u> | <u>Unrecognised deferred tax assets</u> | <u>Expiry year</u> | |
| The Company - Amulaire Thermal Technology | | | | | |
| 2021 | \$ 87,233 | \$ 87,233 | \$ 87,233 | | 2031 |
| 2022 | 212,448 | 212,448 | 212,448 | | 2032 |
| 2023 | 191,390 | 191,390 | 191,390 | | 2033 |
| 2024 | 142,665 | 142,665 | 142,665 | | 2034 |
| 2025 | 188,219 | 188,219 | 188,219 | | 2035 |
| | <u>\$ 821,955</u> | <u>\$ 821,955</u> | <u>\$ 821,955</u> | | |
| The subsidiary - Zhejiang Amulaire Thermal Technology Co., Ltd. | | | | | |
| 2022 | \$ 10,452 | \$ 10,452 | \$ 10,452 | | 2027 |
| 2023 | 38,172 | 38,172 | 38,172 | | 2028 |
| 2024 | 45,442 | 45,442 | 45,442 | | 2029 |
| 2025 | 2,762 | 2,762 | 2,762 | | 2030 |
| | <u>\$ 96,828</u> | <u>\$ 96,828</u> | <u>\$ 96,828</u> | | |
| The subsidiary - Ever Superior Technologies Corporation | | | | | |
| 2021 | \$ 12,689 | \$ 12,689 | \$ 12,689 | | 2031 |
| 2022 | 53,421 | 53,421 | 53,421 | | 2032 |
| 2023 | 54,695 | 54,695 | 54,695 | | 2033 |
| 2024 | 22,856 | 22,856 | 22,856 | | 2034 |
| 2025 | 28,488 | 28,488 | 28,488 | | 2035 |
| | <u>\$ 172,149</u> | <u>\$ 172,149</u> | <u>\$ 172,149</u> | | |
| December 31, 2024 | | | | | |
| <u>Year incurred</u> | <u>Amount filed/ assessed</u> | <u>Unused amount</u> | <u>Unrecognised deferred tax assets</u> | <u>Expiry year</u> | |
| The Company - Amulaire Thermal Technology | | | | | |
| 2021 | \$ 87,233 | \$ 87,233 | \$ 87,233 | | 2031 |
| 2022 | 212,448 | 212,448 | 212,448 | | 2032 |
| 2023 | 191,390 | 191,390 | 191,390 | | 2033 |
| 2024 | 167,190 | 167,190 | 167,190 | | 2034 |
| | <u>\$ 658,261</u> | <u>\$ 658,261</u> | <u>\$ 658,261</u> | | |
| The subsidiary - Zhejiang Amulaire Thermal Technology Co., Ltd. | | | | | |
| 2022 | \$ 10,452 | \$ 10,452 | \$ 10,452 | | 2027 |
| 2023 | 38,172 | 38,172 | 38,172 | | 2028 |
| 2024 | 45,442 | 45,442 | 45,442 | | 2029 |
| | <u>\$ 94,066</u> | <u>\$ 94,066</u> | <u>\$ 94,066</u> | | |

F. The income tax returns of the Company and the domestic subsidiary, Ever Superior Technologies Corporation, through 2023 have been assessed and approved by the Tax Authority.

(24) Loss per share

| | Year ended December 31, 2025 | | |
|---|------------------------------|---|-----------------------------------|
| | Amount after tax | Retrospective adjustment to weighted average number of ordinary shares outstanding (shares in thousands) | Loss per share (in dollars) |
| <u>Basic loss per share (Diluted loss per share)</u> | | | |
| Loss attributable to ordinary shareholders of the parent | (\$ 73,599) | 104,602 | (\$ 0.70) |

| | Year ended December 31, 2024 | | |
|---|------------------------------|---|-----------------------------------|
| | Amount after tax | Retrospective adjustment to weighted average number of ordinary shares outstanding (shares in thousands) | Loss per share (in dollars) |
| <u>Basic loss per share (Diluted loss per share)</u> | | | |
| Loss attributable to ordinary shareholders of the parent | (\$ 207,116) | 104,602 | (\$ 1.98) |

(25) Non-controlling interest

| | 2025 | 2024 |
|--|-------------------|------------------|
| At January 1 | \$ 76,991 | \$ 35,847 |
| Attributable to non-controlling interest: | | |
| Net loss | (2,446) | (20,449) |
| Other comprehensive income | 2,153 | 3,138 |
| Increase in non-controlling interests (Note) | 98,543 | 58,455 |
| At December 31 | <u>\$ 175,241</u> | <u>\$ 76,991</u> |

Note: The increase in non-controlling interest was mainly due to the combination of Ever Superior Technologies Corporation and the cash capital increase of Zhejiang Amulaire Thermal Technology Co., Ltd. conducted in April 2025, August 2025 and January 2024.

(26) Business combinations

A. The Group originally held 30% of shares of Ever Superior Technologies Corporation. After the Group's participation in the cash capital increase in Ever Superior Technologies Corporation in the amount of \$100,000 on September 26, 2025, the shares held by the Group achieved 81.47%. Therefore, Ever Superior Technologies Corporation was included as a consolidated entity of the Group from that date. After the acquisition, the Group is expected to improve the efficiency of operation through the integration of the Group's resources.

B. The following table summarises the consideration paid for Ever Superior Technologies Corporation, equity interest in Ever Superior Technologies Corporation held before, non-controlling interest and the fair values of the assets acquired and liabilities assumed at the acquisition date:

| | <u>September 26, 2025</u> |
|--|---------------------------|
| Purchase consideration | |
| Cash | \$ 100,000 |
| Fair value of equity interest in Ever Superior Technologies Corporation held before the business combination | 8,359 |
| Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets | <u>19,505</u> |
| | <u>127,864</u> |
| Fair value of the identifiable assets acquired and liabilities assumed | |
| Cash | 45,988 |
| Accounts receivable | 2,928 |
| Inventory | 5,725 |
| Prepayments | 604 |
| Other current assets | 4,339 |
| Property, plant and equipment | 140,728 |
| Right-of-use assets | 6,525 |
| Intangible assets | 17,027 |
| Other non-current assets | 1,248 |
| Short-term borrowings | (45,336) |
| Accounts payable | (2,971) |
| Other payables | (10,537) |
| Other current liabilities | (196) |
| Long-term borrowings | (32,724) |
| Lease liability | <u>(7,234)</u> |
| Total identifiable net assets | <u>126,114</u> |
| Goodwill | <u>\$ 1,750</u> |

C. The Group recognised a gain of \$5,164 as a result of measuring at fair value its 30% equity interest in Ever Superior Technologies Corporation held before the business combination, which was shown as "other gains and losses".

D. The operating revenue included in the consolidated statement of comprehensive income since September 26, 2025 contributed by Ever Superior Technologies Corporation was \$0. The company also contributed loss before income tax of \$2,615 over the same period. Had Ever Superior Technologies Corporation been consolidated from January 1, 2025, the consolidated statement of comprehensive income would show operating revenue of \$785,614 and loss before income tax of (\$66,571).

(27) Supplemental cash flow information

Investing activities with partial cash payments:

| | Years ended December 31, | |
|--|--------------------------|------------------|
| | 2025 | 2024 |
| Purchase of property, plant and equipment | \$ 56,204 | \$ 95,416 |
| Add: Beginning balance of payable on equipment | 3,922 | 4,645 |
| Ending balance of prepayments for business facilities | 4,691 | 10,619 |
| Effect of acquisition from business combinations | 71 | - |
| Less: Ending balance of payable on equipment | (1,029) | (3,922) |
| Beginning balance of prepayments for business facilities | (10,619) | (31,135) |
| Cash paid during the year | <u>\$ 53,240</u> | <u>\$ 75,623</u> |

(28) Changes in liabilities from financing activities

| | Short-term borrowings | Long-term borrowings | Lease liabilities | Liabilities from financing activities-gross |
|--|-----------------------|----------------------|-------------------|---|
| At January 1, 2025 | \$ 30,000 | \$ 719,639 | \$ 33,254 | \$ 782,893 |
| Changes in cash flow from financing activities | (6,053) | (297,560) | (9,802) | (313,415) |
| Acquired from business combinations | 45,336 | 32,724 | 7,234 | 85,294 |
| Increase in lease liabilities during the year | - | - | 1,705 | 1,705 |
| At December 31, 2025 | <u>\$ 69,283</u> | <u>\$ 454,803</u> | <u>\$ 32,391</u> | <u>\$ 556,477</u> |

| | Short-term borrowings | Long-term borrowings | Lease liabilities | Liabilities from financing activities-gross |
|--|-----------------------|----------------------|-------------------|---|
| At January 1, 2024 | \$ 17,308 | \$ 721,277 | \$ 41,626 | \$ 780,211 |
| Changes in cash flow from financing activities | 12,692 | (1,638) | (8,372) | 2,682 |
| At December 31, 2024 | <u>\$ 30,000</u> | <u>\$ 719,639</u> | <u>\$ 33,254</u> | <u>\$ 782,893</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Company |
|--|--|
| Ever Superior Technologies Corporation | Associate accounted for using equity method (Note) |

Note: On September 26, 2025, the Group obtained control over the associate. Therefore, the company was no longer a related party of the Group from that date.

(2) Significant related party transactions

A. Payables to related parties

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Other payables | | |
| Ever Superior Technologies Corporation | \$ - | \$ 6,659 |

The payables to related parties arise mainly from outsourcing processing.

B. Processing fees

| | Years ended December 31, | |
|--|--------------------------|-----------|
| | 2025 | 2024 |
| Ever Superior Technologies Corporation | \$ 40,034 | \$ 57,751 |

The above processing fees pertains to the materials provided by the Group to the related party for manufacturing products through outsourcing. Processing fees are based on the agreed price and payment terms are based on mutual agreement.

C. Other income

For the years ended December 31, 2025 and 2024, the Group provided the information system service to Ever Superior Technologies Corporation, and the service revenue amounted to \$684 and \$630, respectively.

D. Key management compensation

| | Years ended December 31, | |
|---|--------------------------|-----------------|
| | 2025 | 2024 |
| Salaries and other short-term employee benefits | \$ 3,960 | \$ 3,890 |
| Post-employment benefits | 108 | 108 |
| Share-based payment | 264 | - |
| | <u>\$ 4,332</u> | <u>\$ 3,998</u> |

8. PLEDGED ASSETS

| Items | December 31, 2025 | December 31, 2024 | Purpose |
|--|-------------------|---------------------|---|
| Land | \$ 469,977 | \$ 469,977 | Short-term borrowings and long-term borrowings |
| Land (Note 1) | - | 238,365 | Long-term borrowings |
| Building | 378,156 | 394,653 | Short-term borrowings and long-term borrowings |
| Machine | 45,171 | - | Long-term borrowings |
| Time deposits (Note 2) | - | 4,013 | Short-term borrowings and performance guarantee |
| Reserve accounts of demand deposits (Note 2) | 2,681 | - | Long-term borrowings |
| | <u>\$ 895,985</u> | <u>\$ 1,107,008</u> | |

Note 1: Recognised in non-current assets classified as held for sale.

Note 2: Recognised in financial assets at amortised cost-current.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies:

None.

(2) Commitments:

Capital expenditures contracted but not yet paid are as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------|--------------------------|--------------------------|
| Property, plant and equipment | \$ 5,134 | \$ 9,372 |

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to maintain an optimal financial structure and capital ratio in order to support operations and to maximise interests for shareholders. Related ratio of net debt divided by total capital is provided in the balance sheet for each reporting period.

(2) Financial instruments

A. Financial instruments by category

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|--|--------------------------|--------------------------|
| <u>Financial assets</u> | | |
| Financial assets at fair value through profit or loss | \$ 11,036 | \$ 93,823 |
| Financial assets at amortised cost (Note 1) | \$ 530,098 | \$ 231,272 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at fair value through profit or loss | | |
| Financial liabilities held for trading | \$ - | \$ 835 |
| Financial assets at amortised cost (Note 2) | \$ 688,626 | \$ 862,322 |
| Lease liability | \$ 32,391 | \$ 33,254 |

Note 1: Including cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables and guarantee deposits paid.

Note 2: Including short-term borrowings, accounts payable, other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received.

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by a treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group's foreign currency transactions are mainly denominated in USD and EUR. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: JPY and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| December 31, 2025 | | | | | | |
|--|---|------------------|---------------------|---------------------------|--------------------------------|---|
| (Foreign currency: functional currency) | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity analysis | | |
| | | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD:NTD | \$ 3,238 | 31.43 | \$ 101,770 | 1% | \$ 1,018 | \$ - |
| EUR:NTD | 4,233 | 36.90 | 156,198 | 1% | 1,562 | - |
| RMB:NTD | 47,311 | 4.50 | 212,710 | 1% | 2,127 | - |
| JPY:NTD | 100,250 | 0.20 | 20,150 | 1% | 202 | - |
| <u>Effect of consolidated entities net assets measured in foreign currency</u> | | | | | | |
| RMB:NTD | 42,626 | 4.50 | 191,815 | 1% | \$ - | \$ 1,918 |
| <u>Financial liabilities</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD:NTD | 903 | 31.43 | 28,381 | 1% | \$ 284 | \$ - |
| December 31, 2024 | | | | | | |
| (Foreign currency: functional currency) | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity analysis | | |
| | | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD:NTD | \$ 3,673 | 32.79 | \$ 120,438 | 1% | \$ 1,204 | \$ - |
| EUR:NTD | 964 | 34.14 | 32,911 | 1% | 329 | - |
| RMB:NTD | 7,365 | 4.48 | 32,995 | 1% | 330 | - |
| JPY:NTD | 114,775 | 0.21 | 24,103 | 1% | 241 | - |
| <u>Effect of consolidated entities net assets measured in foreign currency</u> | | | | | | |
| RMB:NTD | 20,827 | 4.48 | 93,307 | 1% | \$ - | \$ 933 |
| <u>Financial liabilities</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD:NTD | 734 | 32.79 | 24,068 | 1% | \$ 241 | \$ - |

- v. Total exchange gains, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$6,001 and \$16,024, respectively.

Price risk

The Group is not exposed to commodity price risk and risk arising from investments in equity securities.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents, financial assets at amortized cost-current and other current financial assets held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Group's borrowings at variable rate were denominated in the NTD.
- ii. At December 31, 2025 and 2024, if interest rates on NTD-denominated borrowings at that date had been 0.1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2025 and 2024 would have been \$524 and \$750 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms. According to the Group's credit policy is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, considering their financial position, experience and other factors. The utilisation of credit limits is regularly monitored.
- ii. The Group adopts following assumptions under to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - (ii) The default occurs when the contract payments are past due over 150 days.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) Default or delinquency in interest or principal repayments;
 - (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

(c) Liquidity risk

- i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it always has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities, so that the Group does not breach borrowing limits or covenants.
- ii. The Group's financing facilities are as follows:

| | <u>December 31, 2025</u> | <u>December 31, 2024</u> |
|---|--------------------------|--------------------------|
| Credit facility for unsecured bank borrowings | | |
| Drawn amount | \$ 39,283 | \$ - |
| Undrawn amount | <u>80,717</u> | <u>50,000</u> |
| | <u>\$ 120,000</u> | <u>\$ 50,000</u> |
| Credit facility for secured bank borrowings | | |
| Drawn amount | \$ 484,803 | \$ 1,419,750 |
| Undrawn amount | <u>696,652</u> | <u>660,705</u> |
| | <u>\$ 1,181,455</u> | <u>\$ 2,080,455</u> |

- iii. Group treasury invests surplus cash held by the operating entities in interest bearing current accounts, time deposits, and marketable securities based on the Group's capital requirements, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2025 and 2024, the Group held money market position of \$207,914 and \$166,480, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iv. Except for those listed in the table below, the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross basis are all due within one year. As of December 31, 2025 and 2024, the significant cash flow amounts within one year for financial liabilities measured at fair value through profit or loss, accounts payable, and other payables (including related parties) are undiscounted amounts, consistent with the balances of the respective accounts in the balance sheet.

| December 31, 2025 | <u>Within 1 year</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> |
|---|--------------------------|----------------------------------|-------------------------|
| Short-term and long-term borrowings (including current portion) | <u>\$ 175,026</u> | <u>\$ 292,111</u> | <u>\$ 94,271</u> |
| Lease liabilities | <u>\$ 12,314</u> | <u>\$ 20,077</u> | <u>\$ -</u> |

| December 31, 2024 | Within 1 year | Between 2 and 5 years | Over 5 years |
|---|------------------|--------------------------|-----------------|
| Short-term and long-term borrowings (including current portion) | \$ 111,938 | \$ 339,127 | \$ 397,822 |
| Lease liabilities | \$ 6,965 | \$ 26,289 | \$ - |

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure 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, in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates are 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 Group's investment in foreign exchange forward contract are included in Level 2.

Level 3: Non-observable inputs for the asset or liability. The Group's non-current assets held for sale are included in Level 3.

B. Financial instruments not measured at fair value

The Group's carrying amounts of cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, accounts payable, other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level based on the nature, characteristics and risks of the assets and liabilities are as follows:

| December 31, 2025 | Level 1 | Level 2 | Level 3 | Total |
|--|-----------|---------|---------|-----------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Beneficiary certificates | \$ 11,036 | \$ - | \$ - | \$ 11,036 |

| December 31, 2024 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|------------------|----------------|-------------------|-------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Beneficiary certificates | \$ 93,823 | \$ - | \$ - | \$ 93,823 |
| <u>Non-recurring fair value measurements</u> | | | | |
| Non-current assets held for sale (Note) | - | - | 903,426 | 903,426 |
| Total | <u>\$ 93,823</u> | <u>\$ -</u> | <u>\$ 903,426</u> | <u>\$ 997,249</u> |
| Liabilities | | | | |
| <u>Non-recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | <u>\$ -</u> | <u>\$ 835</u> | <u>\$ -</u> | <u>\$ 835</u> |

Note: Under IFRS 5, assets held for sale must be measured at fair value less costs to sell when the fair value less the cost to sell is lower than the carrying amount.

- D. Beneficiary certificates held by the Group that used market quoted prices as their fair values (that is, Level 1) are open end funds, and the market quoted prices are based on net asset value.
- E. Derivative instruments held by the Group were mainly from foreign exchange contracts, which were the non-standard and low-complexity financial instruments, and the Group adopts valuation technique that is widely used by market participants. The inputs are normally observable in the market.
- F. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- G. For the years ended December 31, 2025 and 2024, there was no transfer into or out of Level 3.
- H. The following is the qualitative information of significant unobservable inputs and analysing sensitivity to valuation model used in Level 3 fair value measurement:

| | Fair value at December 31, 2024 | Valuation technique | Significant unobservable inputs | Range (weighted average) | Relationship of inputs to fair value |
|-------------------------------------|---------------------------------------|------------------------|---------------------------------------|--------------------------------|---|
| Non-current assets held for sale | <u>\$ 903,426</u> | Market price method | Not applicable | Not applicable | Not applicable |

There were no such circumstances as of December 31, 2025.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 3.

E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Refer to table 5.

(3) Information on investments in China

A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1) F.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit before tax, which is used as a basis for assessing the performance of the operating segments.

(3) Segment information

A. The Group's segment profit (loss) is measured using the operating profit (loss) before tax, which is used as a basis for assessing the performance of the operating segments. The accounting policies and accounting estimates of the operating segments agreed with the significant accounting policies and accounting estimates and assumptions summarized in Notes 4 and 5.

B. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

C. The amounts provided to the Chief Operating Decision-Maker with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements.

(4) Information on products and services

Revenue from external customers is mainly from sales of thermal module of inverter and its components.

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

| | <u>Year ended December 31, 2025</u> | | <u>Year ended December 31, 2024</u> | |
|---------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|
| | <u>Revenue</u> | <u>Non-current assets</u> | <u>Revenue</u> | <u>Non-current assets</u> |
| Taiwan | \$ 10,009 | \$ 1,301,126 | \$ 112,740 | \$ 1,213,594 |
| Germany | 234,475 | - | 122,066 | - |
| China | 219,873 | 140,429 | 77,060 | 112,758 |
| Poland | 207,920 | - | 236,868 | - |
| Japan | 105,655 | - | 119,925 | - |
| Others | 7,682 | - | 20,371 | - |
| | <u>\$ 785,614</u> | <u>\$ 1,441,555</u> | <u>\$ 689,030</u> | <u>\$ 1,326,352</u> |

(6) Major customer information

Major customer information of the Company for the years ended December 31, 2025 and 2024 is as follows:

| | <u>Year ended December 31, 2025</u> | | <u>Year ended December 31, 2024</u> | |
|---|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| | <u>Revenue</u> | <u>Percentage of total revenue</u> | <u>Revenue</u> | <u>Percentage of total revenue</u> |
| A | \$ 226,019 | 29% | \$ 236,868 | 34% |
| B | 208,031 | 26% | 104,351 | 15% |

Amulaire Thermal Technology, Inc. and Subsidiaries

Loans to others

Year Ended December 31, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No. (Note 1) | Creditor | Borrower | General ledger account (Note 2) | Is a related party | Maximum outstanding balance | Balance as of | Actual amount drawn down | Interest rate | Nature of loan (Note 4) | Amount of transactions with the borrower | Reason for short-term financing (Note 6) | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party | Ceiling on total loans granted | Footnote |
|-----------------|-----------------------------------|---|------------------------------------|--------------------|--|-------------------------------|--------------------------|---------------|----------------------------|--|---|---------------------------------|------------|-------|--|--------------------------------|----------|
| | | | | | for the year ended December 31, 2025 (Note 3) | December 31, 2025 (Note 8) | | | | (Note 5) | | for | Item | Value | (Note 7) | (Note 7) | |
| 0 | Amulaire Thermal Technology, Inc. | Amulaire Thermal Technology (Japan), Inc. | Other receivable-related parties | Yes | \$ 2,008 | \$ 2,008 | \$ - | 2.40% | 2 | \$ - | Turnover | \$ - | - | \$ - | \$ 134,249 | \$ 536,995 | |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2025.

Note 4: Fill in the nature of the loan as follows:

(1) '1' for business transaction.

(2) '2' for short-term financing.

Note 5: Fill in the amount of business transactions when nature of the loan is '1', which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is '2', for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans" the calculation and amount are as follows:

(1) Limit on loans granted to a single party is 10% of the creditor company's net assets based on the latest financial statements.

(2) Ceiling on total loans granted is 40% of the creditor company's net assets based on the latest financial statements.

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

Amulair Thermal Technology, Inc. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| | | | | As of December 31, 2025 | | | | |
|----------------------------------|--------------------------------|---|---|--|------------|---------------|------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares (in thousands / thousand units) | Book value | Ownership (%) | Fair value | Footnote |
| Amulair Thermal Technology, Inc. | Fubon Money Market Fund | N/A | Current financial assets at fair value through other comprehensive income | 416 | \$ 6,530 | - | \$ 6,530 | |
| " | Yuanta De-Li Money Market Fund | N/A | Current financial assets at fair value through other comprehensive income | 261 | 4,506 | - | 4,506 | |

Amulaire Thermal Technology, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching NTS100 million or 20% of paid-in capital or more
Year Ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms compared to third party transactions (Note 1) | | | Notes/accounts receivable (payable) | | Footnote (Note 3) |
|-----------------------------------|---|------------------------------------|-------------------|------------|---------------------------------------|--|--|---|-----------|---|--|-------------------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | | |
| Amulaire Thermal Technology, Inc. | Amulaire Thermal Technology (Japan), Inc. | (1) | Sales | \$ 101,024 | 13% | Payment within 120 days after shipment | The selling price is based on the original cost plus the necessary profit | For general customers, payment will be collected within 30-120 days after shipment. | \$ 16,217 | 5% | | |

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

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

Note 3: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NTS10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Amulaire Thermal Technology, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year Ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|-----------------------------------|--|--------------------------|------------------------|------------|-------------------------------------|---|
| | | | | General ledger account | Amount | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 0 | Amulaire Thermal Technology, Inc. | Amulaire Thermal Technology (Japan), Inc. | (1) | Sales | \$ 101,024 | Based on general trading conditions | 13% |
| 0 | " | Zhejiang Amulaire Thermal Technology Co., Ltd. | (1) | Sales | 20,504 | " | 3% |
| 0 | " | " | (1) | Purchases | 11,794 | " | 2% |
| 0 | " | " | (1) | Processing fees | 57,446 | Based on mutual agreement | 7% |
| 0 | " | Ever Superior Technologies Corporation | (1) | Processing fees | 52,261 | " | 7% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

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

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Amulair Thermal Technology, Inc. and Subsidiaries
Information on investees
Year Ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee (Notes 1, 2) | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2025 | | | Net profit (loss) | Investment income (loss) | Footnote |
|----------------------------------|--|----------|---|------------------------------------|------------------------------------|-------------------------------------|---------------|-------------------|-------------------------|---------------------------|------------------------|
| | | | | Balance as at December 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | of the investee for the | recognised by the Company | |
| | | | | | | | | | year ended | for the year | |
| | | | | December 31, 2025 | December 31, 2025 | | | December 31, 2025 | ended December 31, 2025 | | |
| | | | | (Note 2(2)) | (Note 2(2)) | | | (Note 2(2)) | (Note 2(3)) | | |
| Amulair Thermal Technology, Inc. | Amulair Thermal Technology (Japan), Inc. | Japan | Sales of vehicles and electronic components | \$ 2,462 | \$ 2,462 | 900 | 100% | \$ 4,045 | \$ 306 | \$ 306 | Subsidiary |
| " | Ever Superior Technologies Corporation | Taiwan | Surface treatment of metal product | 154,000 | 54,000 | 11,080 | 81.47% | 103,069 | (28,578) | (12,012) | Subsidiary (Note 3) |

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2025' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2025' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: The Group originally held 30% of shares of Ever Superior Technologies Corporation. After the Group's participation in the cash capital increase in Ever Superior Technologies Corporation in the amount of \$100,000 on September 26, 2025, the shares held by the Group achieved 81.47%.

Amulair Thermal Technology, Inc. and Subsidiaries
Information on investments in Mainland China
Year Ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated | Amount remitted from Taiwan | | Accumulated | Net income of investee for the year ended December 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2) | Book value of investments in Mainland China of December 31, 2025 | Accumulated | Footnote |
|---|---|--|--|---|---|-------------------------------|----------------------------|--|---|---|--|--|----------|
| | | | | amount of remittance from Taiwan to Mainland China as of January 1, 2025 | to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025 | Remitted to Mainland China | Remitted back to Taiwan | | | | | amount of remittance from Taiwan to Mainland China of December 31, 2025 | |
| Zhejiang Amulair Thermal Technology Co., Ltd. | Manufacturing and sales of vehicles and electronic components | \$ 435,815 | (1) | \$ 143,097 | \$ 96,602 | \$ - | \$ 239,699 | (\$ 2,762) | 55% | (\$ 1,760) | \$ 191,815 | \$ - | |
| <u>Company name</u> | <u>Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025</u> | <u>Investment amount approved by the Commission of the Ministry of Economic Affairs (MOEA)</u> | <u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</u> | | | | | | | | | | |
| Amulair Thermal Technology, Inc. | \$ 239,699 | \$ 239,699 | \$ 805,492 | | | | | | | | | | |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China..
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Investment income (loss) was recognised based on the financial statements that were audited and attested by R.O.C. parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.